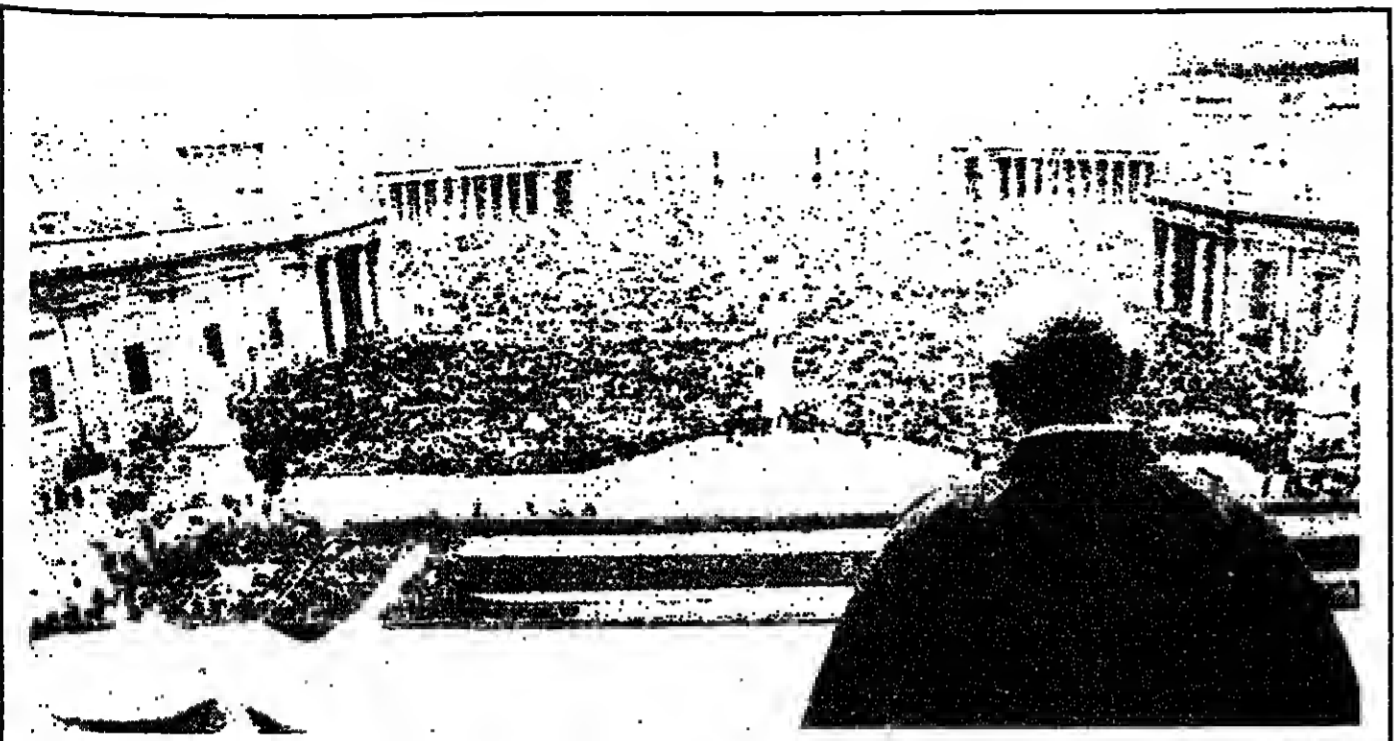


Table of exchange rates for various international locations including London, Paris, Tokyo, and others.

THE WEATHER — PARIS: Monday, overcast with rain. Temp. 49-57. LONDON: Monday, cloudy with occasional rain. Temp. 49-57. CHANNEL: Moderate. ROME: Monday, overcast. Temp. 49-57. FRANKFURT: Monday, overcast with rain. Temp. 49-57. NEW YORK: Monday, partly cloudy. Temp. 49-57.

No. 30,677 **R PARIS, MONDAY, OCTOBER 5, 1981 Established 1887



St. Peter's Square Closely Guarded As Pope Returns

VATICAN CITY — Pope John Paul II appeared at the central balcony of St. Peter's Basilica, top photo, on Sunday after an outdoor ceremony in which he beatified three Italian and two French religious figures. It was his first appearance in St. Peter's Square since he was shot there in an assassination attempt on May 13. Security was tight. Plainclothes guards, at right, searched the bags of everyone entering the square, the first time that people have been screened for a papal appearance since Pope Pius XI began meeting the crowd in the 1930s, Vatican officials said. After the beatification ceremony, the pope celebrated Mass and then moved to a balcony above the basilica's main door to give his weekly blessing.



Reagan's MX Dilemma: Missile Vulnerability

By Leslie H. Gelb, New York Times Service. WASHINGTON — President Reagan's decision on modernizing the U.S. strategic nuclear arsenal leaves him on Sunday with a dilemma: It is based on continued belief that land-based missiles are vulnerable to a Soviet first strike, yet the programs it sets in motion will do virtually nothing to reduce that theoretical vulnerability. According to some Pentagon experts, the president's plan to build the MX missile, place it in existing silos and pour more concrete to harden them against blast, represents a giant step away from a solution. To them, safety can come only from mobility, and Mr. Reagan has scrapped that approach for now. In his own confirmation hearings this week, Defense Secretary Caspar W. Weinberger said that the land-based missile is vulnerable because its location is fixed, it is detectable by Soviet satellites and is capable of being struck by accurate Soviet missiles. At that time, Mr. Weinberger said what most strategic experts would now say: "I would feel that simply putting it into the existing silos would not answer two or three of the concerns that I have; namely, that these are well known and are not hardened sufficiently, nor could they be, to be of sufficient strategic value to count as a strategic improvement of our forces. Asked about reconciling the president's plans with the vulner-

ability problem, a high Pentagon official said: "We are serious about the vulnerability problem. We're not just spouting the theory in order to avoid buying the toys. It's not intended to be a gimmick. The basic idea is to deal with the overall problem of vulnerability by building up overall American military strength. Look at the whole program the president announced, not just at the MX part." Judging by the reaction Friday on Capitol Hill, Mr. Reagan's decision gained political support from Western Republican legislators who worried about their states being turned into concrete in order to accommodate 1,000 or more shelters to shield the MX missiles. Conservatives and liberals who were concerned about the great expense of such an elaborate system also indicated support or private happiness. Mr. Reagan's approach of simply building the missiles will be substantially less expensive than the shelter plan. While senior Reagan administration officials deny it, other officials maintain that money was a key factor in the decision. But Sen. John Tower, the Texas Republican who is chairman of the Armed Services Committee, made clear again Friday that he believes the problem has not been solved. Along with the Air Force and some conservative strategists, he will not accept Mr. Reagan's decision without a fight. It is also likely to attract attention that Mr. Reagan, in making the announcement, enlarged the meaning of his oft-repeated theme about "the window of vulnerability" facing the United States. That term is generally used to mean the vulnerability of land-based missiles. On Friday, Mr. Reagan said it also applied to Soviet superiority at sea and in Europe. It was, thus, a much broader statement of U.S. vulnerability and was bound to make Washington's allies, particularly in Western Europe, uncomfortable. There was also a seeming and potentially important contradiction in what was said Friday about the new MX missile would be treated in future arms limitation talks with the Soviet Union. Pentagon officials told reporters Friday morning that the deployment of the MX would not be negotiable. Mr. Reagan stated at his news conference that "everything to do with arms would have to be on the table." But what will cause the most serious debate will be the MX decision itself. Opponents of the decision will have a field day pointing to the contradictions and inconsistencies. Mr. Weinberger said Friday that the so-called "window of vulnerability" will begin in 1984 and last until about 1987. Both he and Mr. Reagan used to talk as if the vulnerability already existed. The paper states that the Carter administration program of building 200 MX missiles and shuffling them among 4,600 shelters would not have preserved the land-based missiles. "The more shelters or holes we build, the more Soviet missiles will be built" to overwhelm them, the report says. It notes that it would be even easier to overwhelm the system of 100 missiles and 1,000 shelters that the Reagan administration considered one month ago. By the same logic, it should be easier still for the Soviets to overwhelm no more than the present number of U.S. land-based missiles in silos. The Reagan-Weinberger decision simply would place the new MX missile in these existing silos; it would not add new targets for Soviet warheads.

Europeans Realign Currencies

From Agency Dispatches. BRUSSELS — Ministers of European Economic Community member nations agreed Sunday to a major realignment of the currencies in the European Monetary System. The finance ministers agreed on a 5.5 percent upward revaluation within the EMS of the Deutsche mark and Dutch guilder and a 3 percent devaluation of the French franc and Italian lira. Finance Minister Robert Van de Putte of Belgium said. The accord — the most significant adjustment of EMS parties since the system's inception in March, 1979 — followed eight hours of bargaining. It gives an effective 8.5 percent revaluation of the mark and the guilder against the franc and the Italian lira, and a 5.5 percent revaluation against the Belgian and Luxembourg francs, the Irish pound, and the Danish kroner. The realignment is an attempt to end recent pressures within the EMS caused by diverging economic policies and performances as well as by erratic movements of the U.S. dollar, particularly the recent rush of international money from the dollar into the mark on foreign exchange markets. Under the EMS, member countries agree to intervene in the foreign exchange markets. Finance Minister Jacques Delors of France said the steep difference between inflation rates in France and West Germany made the realignment a "collective and inevitable step." French inflation is running at 13.7 percent a year, compared with 6.6 percent in West Germany. "We could not wait any longer because of the movement of the dollar and the level of interest rates in the United States," he said. Sources said France originally had wanted a larger devaluation for the franc, with reports ranging from 9.5 to 12 percent, but was unwilling to be the only currency to be changed, seeking devaluations for both the Italian lira and the Belgian franc. But Mr. Van de Putte successfully argued that the caretaker Belgian government of Prime Minister Mark Eyskens was in no position to devalue the currency just weeks before general elections. No Belgian Government. Mr. Delors said the Belgian franc could not be devalued because there was no government in place. Asked if it would be lowered at a later stage, Mr. Delors replied that the decision lay with Belgium. Belgium initially also resisted the call for a revaluation of the Dutch guilder with which it has close links in the Benelux economic union, but later withdrew its opposition, sources said. Italy, which devalued its currency by 6 percent in March, was prepared to accept a further small downward movement, sources said, but was anxious not to be seen as a prime mover in such an action. The declaration, issued Saturday by the Foreign Ministry, represented the Saudi version of what the Reagan administration has been describing as an agreed position of the U.S. and Saudi governments on the proposed \$8.5-billion package sale submitted for congressional approval. Vague and apparently designed for a Saudi and Arab audience, it put strikingly different emphasis on several points, notably the question of U.S. controls over the plane. Response to U.S. The statement is likely to complicate Reagan administration efforts to persuade Congress, more by strong implication than actually spelling out details of the deal, that certain aspects of the package are explicitly guaranteed by the kingdom. Each government has felt moved to respond publicly to the other's statements, to "clarify" matters at home in ways that may ultimately undercut the other's domestic position. The statement appeared to have been decided in response to a State Department spokesman's account of the meeting Friday in New York between Secretary of State Alexander M. Haig Jr. and the Saudi foreign minister, Prince Saud, in which the spokesman said "data sharing" was one of the areas of firm agreement on the sale of Airborne Warning and Control System aircraft and other weapons. Following the Haig-Saud meeting, the State Department was vague on the question of actual guarantees on the personnel issue. Its statement said the "kingdom is requesting maintenance and training assistance, and the U.S. is willing to provide such assistance which will be necessary for the support of the system well into the 1990s." The theme of national sovereignty and refusal of what the Saudi rulers regard as "congressional attempts to infringe upon it" underlay the position outlined in Saturday's statement. This has been a major Saudi concern throughout the debate as congressmen have insisted on U.S. control over security and use of the AWACS. Mr. Haig reportedly told the Senate Foreign Relations Committee in a closed briefing Thursday of a U.S.-Saudi "understanding" providing for an American presence on the AWACS aircraft "well into the 1990s." But many committee members said it was their impression that the agreement was nonbinding and rested on an assumption that the Saudi Arabians would need U.S. help to operate the equipment for at least that period. Concern Acknowledged. Without mentioning training periods or U.S. personnel at all, Saturday's Saudi statement indirectly acknowledged concerns of some U.S. congressmen that selling the AWACS and other equipment in the proposed package could expose them to the danger of falling into hostile hands. "The kingdom is fully concerned with the security and safety of the equipment in the package in particular, and defense equipment in general, and welcomes mutual understanding and cooperation in that regard," it said. But it appeared that this formulation falls short of an explicit guarantee that U.S. personnel would be connected with the planes into the 1990s, as demanded by congressional opponents of the sale. Saudi officials repeatedly have rejected the idea of an explicit guarantee of a U.S. presence, saying it would undermine Saudi sovereignty. At the same time, diplomats here say the Saudi rulers would probably agree to prolong U.S. association with the planes if (Continued on Page 3, Col. 1)

Israel Alters West Bank's Government Greater Civilian Role Approved by Cabinet

By William Claiborne, Washington Post Service. JERUSALEM — The Israeli Cabinet gave its unanimous approval Sunday to Defense Minister Ariel Sharon's plan to reorganize the military government in the West Bank and Gaza Strip along civilian lines for the first time since Israel occupied the territories in the 1967 Six-Day War. Prime Minister Menachem Begin's ministers, however, stressed that ultimate authority in the occupied areas will remain with the military, even if some Palestinians are brought into some senior positions in the Israeli civilian administration. "Certain functions will be carried out by civilians. Of course, all of them will be acting under the military government. The military government cannot be replaced by Israeli civilians," Cabinet Secretary Aryeh Naor said after Sunday's meeting. The Cabinet's qualifications to Mr. Sharon's West Bank and Gaza Strip plan, part of a general relaxation policy advocated by the new defense minister, concerns concerns expressed by West Bank Palestinian leaders that the military would retain effective control of the occupied territories, despite a new civilian cast given to the occupation government. Mr. Sharon earlier had made it clear that the civilian administration, which will dovetail its service functions with existing Israeli ministries, would be answerable to him. Mr. Naor said that as a "confidence-building measure," the Israeli government decided that some of the public service functions "carried out today by military officers will tomorrow be carried out by civilians." He added, "Not that the military government will be replaced by a civilian government, but that civilians in the future — and, I hope they will include also inhabitants of those territories — will replace the army officers dealing with those daily affairs now." He said the changeover will begin Dec. 1. Under the Sharon plan, responsibility for security in the occupied areas will remain with the army, but the command will be transferred to the military governor to regular regional army commanders. West Bank Palestinian leaders reacted with skepticism to Mr. Sharon's reforms, calling them "cosmetic" changes that will have no noticeable effect on the day-to-day occupation policies. Mustafa Nathej, acting mayor of Hebron, called it a "Camp David trick" designed to lure a handful of Palestinian "collaborators" to the negotiations for autonomy in the West Bank and Gaza. "If the people in the military dress in civilian clothes, it is still an occupation government," Mr. Nathej said. Tulkarm Mayor Hilmi Hannoun said Mr. Sharon is attempting to "foster new leadership" in the West Bank, but that most residents regard the Palestine Liberation Organization as the only legitimate representative of the people. The Cabinet also adopted a resolution condemning a statement issued by Saudi Arabia Saturday rejecting joint Saudi-U.S. operation of radar surveillance aircraft. "The unequivocal statement of the Saudi government... provides further proof, if such were needed, that the supply of these surveillance aircraft, together with the offensive weaponry of the F-15s, constitutes a serious danger to Israel's security." Cabinet sources said in (Continued on Page 2, Col. 1)

Saudis Are Adamant on AWACS, Refusing 'Any Sharing' With U.S.

By Edward Cody, Washington Post Service. JIDDA — Saudi Arabia, in its most detailed statement so far on the AWACS controversy, has insisted it would reject "any sharing" with regard to the sophisticated radar planes if they are sold to the Saudi Air Force. The declaration, issued Saturday by the Foreign Ministry, represented the Saudi version of what the Reagan administration has been describing as an agreed position of the U.S. and Saudi governments on the proposed \$8.5-billion package sale submitted for congressional approval. Vague and apparently designed for a Saudi and Arab audience, it put strikingly different emphasis on several points, notably the question of U.S. controls over the plane. Response to U.S. The statement is likely to complicate Reagan administration efforts to persuade Congress, more by strong implication than actually spelling out details of the deal, that certain aspects of the package are explicitly guaranteed by the kingdom. Each government has felt moved to respond publicly to the other's statements, to "clarify" matters at home in ways that may ultimately undercut the other's domestic position. The statement appeared to have been decided in response to a State Department spokesman's account of the meeting Friday in New York between Secretary of State Alexander M. Haig Jr. and the Saudi foreign minister, Prince Saud, in which the spokesman said "data sharing" was one of the areas of firm agreement on the sale of Airborne Warning and Control System aircraft and other weapons. Following the Haig-Saud meeting, the State Department was vague on the question of actual guarantees on the personnel issue. Its statement said the "kingdom is requesting maintenance and training assistance, and the U.S. is willing to provide such assistance which will be necessary for the support of the system well into the 1990s." The theme of national sovereignty and refusal of what the Saudi rulers regard as "congressional attempts to infringe upon it" underlay the position outlined in Saturday's statement. This has been a major Saudi concern throughout the debate as congressmen have insisted on U.S. control over security and use of the AWACS. Mr. Haig reportedly told the Senate Foreign Relations Committee in a closed briefing Thursday of a U.S.-Saudi "understanding" providing for an American presence on the AWACS aircraft "well into the 1990s." But many committee members said it was their impression that the agreement was nonbinding and rested on an assumption that the Saudi Arabians would need U.S. help to operate the equipment for at least that period. Concern Acknowledged. Without mentioning training periods or U.S. personnel at all, Saturday's Saudi statement indirectly acknowledged concerns of some U.S. congressmen that selling the AWACS and other equipment in the proposed package could expose them to the danger of falling into hostile hands. "The kingdom is fully concerned with the security and safety of the equipment in the package in particular, and defense equipment in general, and welcomes mutual understanding and cooperation in that regard," it said. But it appeared that this formulation falls short of an explicit guarantee that U.S. personnel would be connected with the planes into the 1990s, as demanded by congressional opponents of the sale. Saudi officials repeatedly have rejected the idea of an explicit guarantee of a U.S. presence, saying it would undermine Saudi sovereignty. At the same time, diplomats here say the Saudi rulers would probably agree to prolong U.S. association with the planes if (Continued on Page 3, Col. 1)



Ali Khamenei, Iran's new president, speaking to soldiers on the battlefield in the war with Iraq.

INSIDE Rare Books Found

A valuable collection of antique books stolen in London was recovered and a New York graduate student was arrested in an undercover drama in which a rare book dealer played a role. Page 4.

Recovery Aid

U.S. Treasury Secretary Donald Regan, concerned about a recession, says the Federal Reserve should relax monetary policy to help set the stage for recovery. His comments come amid increasing evidence of the Fed's success in restraining money-supply growth. Page 7.

Gold River Victor

Gold River, a 4-year-old filly and a 36-1 outsider, was the surprise winner Sunday of Paris' Prix de l'Acadé de Triomphe, Europe's richest horse race. Page 12.

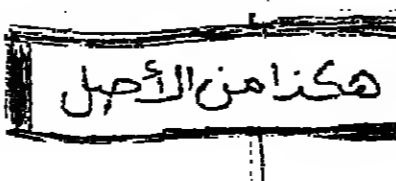
Prisoners in Ulster End Their Fast

By William Borders, New York Times Service. LONDON — The Irish nationalist prisoners' hunger strike, in which 10 men have died since May, has been called off. The prisoners said they had reluctantly concluded that the families of the men on the fast would keep on refusing to let them die. "We have been robbed of the hunger strike as an effective protest weapon principally because of the successful campaign waged against our distressed relatives by the Catholic hierarchy," the Irish Republican Army prisoners said in a statement issued Saturday night. Prime Minister Margaret Thatcher, who was awakened with the news in Australia, where she was attending the Commonwealth conference, was careful not to take a boastful stance, but the collapse of the hunger strike was regarded by many as a vindication of her firm refusal to grant the prisoners the political status that they had been seeking. [Britain's minister for Northern Ireland, James Prior, studied possible prison reforms in the province Sunday and said he expected to make a statement on reforms with-

Clergyman Wins Iran Presidency

The Associated Press. BEIRUT — Hojatoleslam Ali Khamenei, an Islamic hard-liner, emerged as the victor in Iran's third post-revolution presidential election to become the Islamic republic's first clergyman head of state, Tehran radio reported. The radio also announced on Saturday the execution of 30 more people opposed to Ayatollah Ruhollah Khomeini's rule, and said government troops had wiped out the last urban stronghold of autonomy-seeking Kurds. As the results were being announced, sources said revolutionaries police and leftist opponents of the government clashed in Tehran. A local resident contacted by telephone from Beirut said, "A lot of ambulances are going back and forth, and at least one person has been killed." No other details were available. With more than half the ballots counted, Mr. Khamenei, leader of the ruling Islamic Republican Party and survivor of an assassination attempt earlier this year, had nearly 96 percent of the 12.1 million votes counted, the radio said. The rest of the votes were scattered among three other candidates.

Mr. Khamenei was best known for his fiery sermons that were broadcast throughout the country on Friday. But injuries to his lungs and "windpipe suffered when a booby-trapped tape recorder was blown up near him last June 27 forced him to step aside as Tehran's Friday imam, or prayer leader. Tehran radio said all 30 of those (Continued on Page 2, Col. 4)



Polish Price Increases Bring Union Protests

By Brian Mooney

GDANSK, Poland — Poland announced steep increases in the price of cigarettes and some food products, prompting vigorous protests at the Solidarity union national congress Sunday.

Polish Finance Minister Marian Krzak rushed to Gdansk Sunday after Lech Walesa, Solidarity's leader, sent a telegram to Premier Wojciech Jaruzelski denouncing the move.

Union officials said Mr. Krzak was expected to explain the government's increase of prices — 100 percent in the case of tobacco. It was not immediately known whether he would address the congress or negotiate with union leaders behind the scenes.

chief in the Bydgoszcz region, charged that the cigarette price rise was an attempt by the government to divert the union's attention from a forthcoming session of the congress devoted to increasing meat rations.

Economic Reform

One proposal on economic reform, expected to be put to the congress, accepts in principle that food prices must rise to the level of production costs, eliminating enormous state subsidies. But the proposal says that Poles must be paid full compensation for such steep increases.

Solidarity took a major step toward its goal of controlling Poland's economy Saturday when the congress approved a resolution calling on workers to set up councils to run their plants.



Leaders of the British Labor Party singing "Auld Lang Syne" at the end of their conference.

Britain's Laborites: Still a Party In Search of Unity in Opposition

By R.W. Appie Jr.

BRIGHTON, England — Alan Fisher, the acerbic, left-wing leader of the hospital workers' union, had a message last week for the 1,300 delegates to the 80th annual conference of the British Labor Party. It was delivered, as is Mr. Fisher's habit, in a roundabout way, concluding with the observation that he believed now more than ever in the maxim that he had learned 42 years ago as a trainee typist: "Now is the time for all good men to come to the aid of the party."

It seems fair to say, after six unpropitious days in this Regency seaside resort, and after two years of unceasing internal warfare, that a substantial majority of the Labor Party is beginning to see Mr. Fisher's point. With a general elec-

tion only two years away, and the British economy in ever direr straits, at least a few of the Labor potentialists are at last growing weary of sectarian quarrels.

Not a moment too soon. The party's performance since the general election of 1979 has resulted in the creation of the new Social Democratic Party. It has given Prime Minister Margaret Thatcher much more leeway than she might otherwise have had, and has caused many Britons of all classes and parties to wonder whether Labor was about to vanish into thin air.

The question is whether the new mood will last. On that point, Mr. Fisher was trying to persuade

NEWS ANALYSIS

Fragile Victories

In two ways, the victories last week by what is now being called the center-right of the Labor Party were dangerously fragile — by very narrow margins and confined mainly to organizational matters: 10 no important way did they affect the leftward course of party policy, which may still make it difficult for Labor to campaign effectively against Mrs. Thatcher in the next election, probably in October, 1983.

The center-right succeeded in defeating Mr. Benn, whose candidacy was bitterly opposed by Michael Foot, the party leader, largely because 16 members of a left-wing faction abstained rather than signify approval of what they considered Mr. Benn's disruptive tactics.

Mr. Benn lost control of the National Executive Committee, the principal element of the party machine, because one union, the Amalgamated Union of Engineering Workers, threw its 875,000 votes to the right and deposed five committee left-wingers. And Mr. Benn saw his cherished hope of depriving the right-wing parliamentary Labor Party of its role in drafting the electoral platform, or manifesto, disappear with the last-minute switch of votes by another big union.

As the experience of the last two years has shown, the bloc votes of the trade unions can swing back and forth as a result of internal power struggles, so these center-right victories are not permanent. Furthermore, the center-right majority on the executive committee, 15-14, holds only where domestic policy is concerned; on such significant matters as unilateral nuclear disarmament and withdrawal from the European Economic Community, the left retains control. The policies voted by the conference reflected this murky situation, and more.

WORLD NEWS BRIEFS

Jenkins Says SDP Could Form Government

PERTH, Scotland — Britain's Social Democratic Party opened its first conference Sunday with Roy Jenkins, a former Labor minister and one of its founding members, telling delegates they had astonished the world and could form the next government.

"We have pricked the bloated bladders of complacency which for so long cocooned the two monopoly parties... We have astonished the world," Mr. Jenkins said.

The party, which still lacks a leader, is beginning its first conference in Perth and will move to Bradford, in northern England, on Tuesday and Wednesday, then conclude in London on Thursday and Friday.

Palestinian Accuses Israel of Underground War

BEIRUT — A Palestinian leader accused Israel Sunday of launching an underground guerrilla war against the Palestine Liberation Organization.

Salah Khalaf, a leading member of the mainstream el Fatah group and a close associate of PLO chairman Yasser Arafat, alleged in an interview with the Beirut weekly Monday Morning that the latest bombings across Lebanon had been masterminded by Israel. Israel has denied the suggestion. About 100 people have been killed and 450 wounded in car bomb explosions during the last three weeks.

Pakistan Reports Attack by 2 Afghan MiGs

ISLAMABAD, Pakistan — Two Afghan MiG-17 warplanes strafed a border post in southwest Pakistan for 20 minutes Sunday morning but caused no injuries or damage, the Defense Ministry said.

A ministry announcement said the planes attacked Domandai, a post which reportedly was the target of a similar attack Sept. 5 in which two civilian workers were injured. Domandai is located about 100 miles (160 kilometers) north of Quetta, capital of Pakistan's Baluchistan province. The Soviet-backed regime in Kabul denied reports of an incident on Sept. 5.

Many anti-regime Afghan guerrillas from southeast Afghanistan freely cross the largely unmarked border with Pakistani Baluchistan to buy supplies and ammunition.

Newspaper Says Libya Deporting Sudan Workers

CAIRO — Libyan leader, Col. Moamer Qadhafi, has ordered the deportation of 250,000 Sudanese workers from Libya, a Cairo newspaper reported. But a spokesman for the Sudanese Embassy in Cairo said he had no knowledge of the reported expulsion.

The workers were expelled because they refused to join a "Sudan Liberation Army" which Col. Qadhafi is organizing to invade Sudan, the newspaper Al Massa said Saturday. The newspaper, quoting Sudanese workers who had arrived in Cairo, said that between 900 and 600 Sudanese were leaving Libya every day.

The newspaper quoted them as saying that other workers had started leaving, fearing Libyan harassment for not joining the liberation army.

Anti-NATO March Is Broken Up in Madrid

MADRID — The police fired tear gas and rubber bullets to disperse 12,000 leftists who had marched through Madrid to protest Spain's proposed membership in NATO, government sources said.

Leaders of the demonstration said that 100,000 participated. One group burned an American flag.

About 8,000 people attended a meeting against the North Atlantic Treaty Organization membership, addressed by the leader of the Socialist Workers' Party, in Madrid Saturday night. He told his supporters that Spanish membership in the Western alliance as proposed by the centrist government posed a grave threat to world peace.

Karpov Again Defeats Korchnoi in Chess

MERANO, Italy — The world chess champion, Anatoli Karpov of the Soviet Union, soundly defeated challenger Viktor Korchnoi in the second game of their world chess championship match Sunday to take a commanding 2-0 lead in the series.

Mr. Korchnoi, a Soviet exile, resigned on the 57th move of the adjourned game that began Saturday after Mr. Karpov, playing white, pressed his advantage with a lethal passed pawn play on the queen's side of the board. The third game is scheduled for Monday.

Urgent Talks Between Rich, Poor Nations Called for by Leaders of Commonwealth

By William Branigin

MELBOURNE — Representatives of 41 nations Sunday called on the rest of the world to support urgent talks between rich and poor countries to deal with worsening global economic disparities.

The appeal came in a joint declaration by leaders of the Commonwealth of Nations, which includes Britain and its former colonies. Issued in Canberra during the leaders' weekend retreat, the "Melbourne Declaration" expressed a need for "real and significant changes commensurate with the urgency of the problems we now face."

The declaration stopped short of mentioning any specific measures, however, and a controversy erupted when one commonwealth leader, Prime Minister Robert Muldoon of New Zealand, called it a "declaration of platitude" that did not have his final approval.

Commonwealth officials said the document was a "political statement" and that specific economic issues such as food, finance, trade and energy would be addressed in the final communiqué of the commonwealth conference this week.

In the declaration, the commonwealth leaders said it was "imperative to revitalize the dialogue between developed and developing countries." It said the world's "gross inequality of wealth and opportunity" and an "unbroken circle of poverty" in developing countries constituted "fundamental sources of tension and instability in the world."

The statement said the leaders "firmly believe that the choice is not between change and no change but between timely, adequate managed change and disruptive, involuntary change imposed by breakdown and conflict."

In a separate statement, Prime Minister Malcolm Fraser of Australia made it clear that the declaration was intended to give impetus to this month's North-South summit at Cancun, Mexico. That meeting, to be attended by 22 world leaders, including President Reagan, is to discuss economic issues dividing rich and poor nations.

Third World countries, which make up the vast majority in the commonwealth, hope the Oct. 22-23 Cancun summit will clear the way for a new round of North-South talks on creating what they call "a new international economic order."

Begun in Paris six years ago, the talks between representatives of Western industrialized countries and developing nations soon bogged down and were eventually broken off.

A special session of the United Nations last year failed to produce an agreement on an agenda and procedures for another round of talks, and Third World countries blamed the United States, Britain and West Germany for the deadlock.

Ulster Nationalist Prisoners End Their Fast

(Continued from Page 1)

time off for good behavior, and more mail and visits.

Bobby Sands, who was serving a 14-year sentence, began his hunger strike March 1, following a Irish Republican tradition. Thomas McSwiney, an Irish nationalist who starved himself to death in a British jail in 1920, explained the rationale of the protest: "It is out those who can inflict the most, but those that can suffer the most who will conquer."

Mr. Sands died on May 5. The other men who died were Francis Hughes, Raymond McCreech, Patrick O'Hara, Joe McDonnell, Martin Hinson, Kieran Doherty, Kevin Lynch, Thomas McElwee and Michael Devine.

Islamic Hard-Liner Wins Presidential Election in Iran

(Continued from Page 1)

executed Saturday were Mujahadin Khalq guerrillas. It said they were put to death in Isfahan for rebellion against the Islamic republic.

Meanwhile, the Iranian government declared a victory against Kurdish insurgents in the northwest who have fought for decades for self-rule.

The joint chiefs of staff, in a communiqué distributed by the Paris news agency, said Iranian forces had overrun the Kurdish-held town of Bukan near the Turkish border before daybreak Saturday. The Kurds are non-Persians and members of the minority Sunni Moslem sect.

Center Raided in Paris

PARIS (AP) — About 20 Anti-Khomeini demonstrators forced their way into the Iranian cultural

Israel Plans West Bank Civilian Role

(Continued from Page 1)

statement, offered by Deputy Prime Minister Simcha Ehrlich, was opposed by Energy Minister Yitzhak Beran and Health Minister Eliezer Shostak, who argued it would unnecessarily aggravate the United States. But, sources said, Mr. Begin strongly argued for its adoption.

Mr. Begin's press secretary, Uri Porat, meanwhile, denied reports that the prime minister plans to move his offices soon to new facilities in East Jerusalem as a symbol of reaffirmation of Israel's sovereignty over that part of the city that was annexed by Israel after the 1967 war. Cabinet officials said, however, that Mr. Begin does plan to start holding some ministerial meetings in the East Jerusalem offices.

New Settlements Planned

TEL AVIV (Reuters) — Israel plans to establish between 12 and 18 new settlements on the West Bank in the next four years and increase the Jewish population there by 120,000, the World Zionist Organization said Sunday.

The new settlement plan was unveiled by Mattityahu Drobless, head of the agency's settlement department, which is responsible for building settlements in the occupied territories, at a news conference in the West Bank outpost of Kedumim.

There are now an estimated 25,000 Jews living in 82 settlements, 70 of which were built in the four years since Mr. Begin became prime minister. The area has about 800,000 Arabs, but Mr. Drobless' plan would mean a Jewish majority by the year 2010.

Mauroy Supports Palestinian Right To Establish State

(Continued from Page 1)

CAIRO — The Palestinian people have a right to establish a state of their own and Israel must withdraw from the territories it has occupied since 1967, Prime Minister Pierre Mauroy of France said in an interview published in the Egyptian newspaper Al-Ahram.

In the interview published Saturday, Mr. Mauroy was quoted as saying that the Palestinian people must be granted the right of self-determination and as describing Israeli settlements in the occupied territories as illegitimate under international law.

He said Israel's unilateral measures in Jerusalem were illegitimate and that the future of the city must be agreed upon within the framework of a comprehensive settlement of the Middle East crisis.

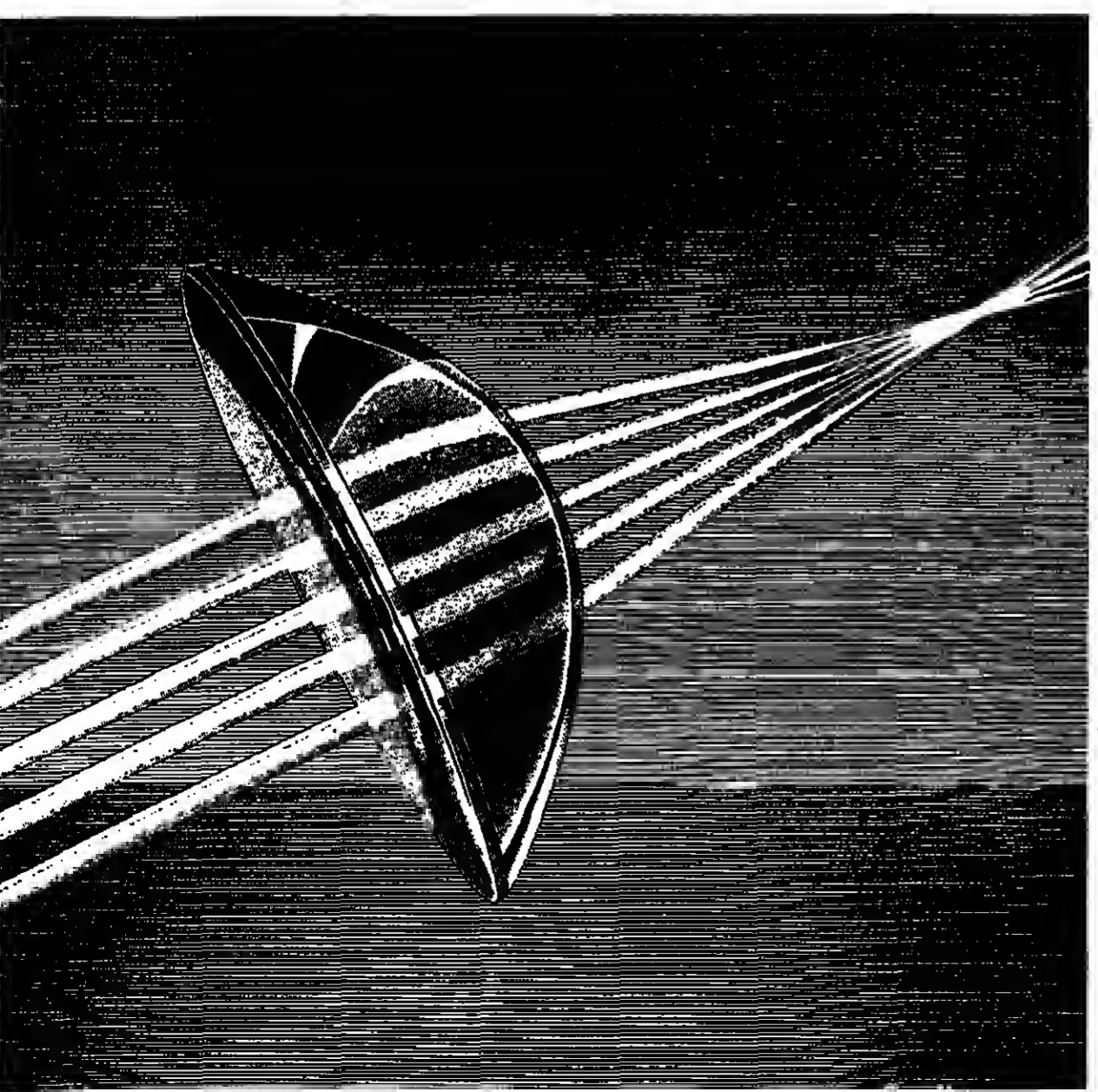
Mr. Mauroy said France was still committed to a position that recognized the right of all states in the region, including Israel, to enjoy security and stability and that it recognized the right of the Palestinians to self-determination.

Conservatives Retain Austria Province Role

(Continued from Page 1)

GRAZ, Austria — The People's Party on Sunday retained its absolute majority in the provincial parliament in Styria, officials said. The conservative People's Party, in opposition in the federal parliament, won 50.8 percent of the vote, 1.2 percentage points less than in the last local elections in 1978 but sufficient to keep its 30-seat majority.

The Socialists, Austria's ruling party, won 24 seats, increasing their share of the vote by 2.5 percentage points to 40.3 percent.



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The AWACS Deal: What Will Saudis Do if It Collapses?

By Joseph Fichera
International Herald Tribune
LONDON — A crucial question in the debate on the sale of AWACS to Saudi Arabia is whether the Saudis will accept a congressional veto of the sale, would retaliate by driving up oil prices, harming the U.S. economy and, inevitably, other industrial countries.

Would Saudi Arabia have the political will to seek revenge? Has it the economic leverage to succeed?

Anxiously debated by businessmen and diplomats, these questions have no certain answer, partly because Saudi officials hesitate to openly threaten their U.S. ally. And many observers interpret this Saudi tact as an admission of weakness.

The Saudi views were aired last week by Sheikh Ahmed Zaki Yamani, the Saudi oil minister,

NEWS ANALYSIS

and James E. Akins, former U.S. ambassador to Saudi Arabia. The two men, who addressed an energy conference here and met privately several times, repeatedly touched on the debate about how powerful Saudi Arabia was.

Wishful Thinking
Although Sheikh Yamani declined to link Saudi Arabia's oil policy to the AWACS issue, Mr. Akins, who in the past has often publicized views that Saudi leaders held strongly but hesitated to voice publicly, warned of major disruptions ahead because of

Saudis Repeat Opposition To Joint Crews for AWACS

(Continued from Page 1)
it were done quietly and not as part of a public agreement.

Turning to the use of information gathered by the radar planes, the ministry said Saudi Arabia "has no objection to the exchange of information that concerns the security of both countries."

Sharing Data

The use of the word exchange and the mention that the security of both countries would be involved seemed to suggest that on some subjects, such as Israel, the Saudi leadership would feel no obligation to share intelligence with the United States. "There was no elaboration on the statement from ministry officials."

Also unclear was an assertion that Mr. Saud "pointed out to his American counterpart that the kingdom does not accept any sharing with regard to these aircraft." It was not certain whether the statement was referring to concerns in Washington that Saudi Arabia might pass intelligence to other Arab countries for use against Israel, or whether it was ruling out any idea that the United States and Saudi Arabia might operate the planes jointly.

Because of the demands in Congress for joint command or crewing in the aircraft, the statement ruling out sharing was seen as a renewed refusal to accept any joint U.S.-Saudi controls over the planes despite the talk in Washington of U.S. crewmen being present into the 1990s.

Reagan Statement
WASHINGTON (WP) — President Reagan's news conference statement that the United States would not permit Saudi Arabia to go the way of Iran was described by aides Friday as the expression

Grave Opened; Tests Show Body Is Oswald's

DALLAS — The grave of Lee Harvey Oswald was opened Sunday, and a team of pathologists said an autopsy showed that the body was that of the accused assassin of President John F. Kennedy.

In the most critical test during the autopsy, doctors matched the teeth of the remains with Oswald's dental records from the Marine Corps in the mid-1950s, prior to his defection in the Soviet Union in 1959.

The autopsy was conducted to test a theory that the former president was killed in 1963 by a Soviet agent who had assumed Oswald's identity.

The pathologists also said remnants of a mastoid operation, conducted in 1945 when Oswald was 6, were located on the skull just behind the ear, and rings were found that Oswald's widow, Marina

beyond my control," Mrs. Porter said after the results of the autopsy were reported to the family. "It's very unfortunate it became such a public event. Now I have my answers, and from now on I only want to be Mrs. Porter."

Mrs. Porter's husband, Kenneth, said "if there are any questions in the future, I hope they are directed at someone other than Marina. We've done all we can do."

U.S. Is Sharply Divided on AWACS Deal, Poll Indicates

The Associated Press
NEW YORK — Americans are sharply divided over the Reagan administration's proposed sale of AWACS to Saudi Arabia, according to an Associated Press-NBC News poll.

In a telephone poll of 1,601 adults contacted Sept. 28-29, 40 percent of the respondents said they opposed the sale of the radar surveillance planes, with 25 percent in favor and 35 percent

not sure. That indicated a slight shift of public opinion for the sale since a poll in May in which 54 percent opposed the sale, 19 percent favored it and 27 percent said they were unsure.

Those who opposed the sale said it would increase the chances of war and require more military aid to Israel, while respondents who favored the sale said it would decrease the chances of war and would not mean more U.S. arms aid to Israel.

Wishful Thinking

Saudi leaders often disdain the need to lobby Congress. U.S. opinion, on the other hand, largely ignores the value of Saudi concessions to the United States — and the mounting Arab and domestic political costs of this Saudi policy, they said.

Israeli Influence
In addition, U.S. opinion is influenced by Israel's supporters, who Mr. Akins says are campaigning against AWACS less because they fear the aircraft than because they seek to prevent U.S.-Saudi cooperation from growing.

Many U.S. analysts contend the energy crisis is over and that the oil weapon is obsolete. They say oil has reached a ceiling where any price rise would be counterproductive, accelerating the Western conversion to alternative fuels and further reducing oil demand.

Market Is Flooded
Saudi Arabia's intentions are obscured by the fact that Saudi leaders have their own economic reasons for trying to impose a policy of moderation on oil prices. To do this, Saudi Arabia flooded the market with Saudi while oil demand was falling because of Western recession, fuel economies and expectations, still unproven, of non-OPEC sources of oil.

In this way, Saudi Arabia is taming the OPEC price hawk, a policy that has a strong long-term commercial justification. Sheikh Yamani, speaking to the energy conference, publicized the Saudi case for moderation. He said that this policy was designed to protect the long-term market for oil exports and stimulate international economic recovery. A price freeze is essential, he said, to revive oil demand and let prices gradually start rising again.

His words had the desired effect on his Western audience. "You could bear those corporate planners mentally shelving their planned investments in alternative fuel sources as Sheikh Zaki reassured them about Saudi moderation," a participant said.

A Different View
But his remarks could also be interpreted as corroborating the views of Western economists who contend that the oil glut is permanent and that Saudi Arabia is set free out of its economic interest to keep prices low and protect its own long-term asset — with the implication that Saudi Arabia therefore does "not deserve any favors" from the United States, such as AWACS.

Speaking after Sheikh Yamani, Mr. Akins, a personal friend,

abandoned his prepared text to offer his own interpretation of Saudi oil policy, which he cast in a different light from the Saudi minister. "What he said was not incorrect, but it is just not the whole story," Mr. Akins said. He asserted that the primary motivation of Saudi Arabia's oil policy — which has been unpopular with other Arabs, other OPEC governments and many Saudi Arabians — was the pursuit of political benefits from the United States.

Reviewing the near-decade of Saudi oil power since the Middle East war in 1973, Mr. Akins said that Saudi financial and oil policy has been dictated in please the United States. "We asked Saudi Arabia to produce more oil, to hold down oil prices and to defend the dollar," he said. "The Saudis' response has been consistently and dramatically positive in all fields."

These policies entailed many costs for Saudi Arabia, including social strains caused by rapid enrichment, but King Khalid and Crown Prince Fahd adopted a strongly pro-American line for political reasons, Mr. Akins said. While seeking an implicit pact, he said, the Saudi Arabians were "naive" because there was "no bargaining, no commitments, no quid pro quo" — just the desert assumption that if you do a good turn to a good man, he will repay you twice over.

The repayment sought by the Saudis, he said, is a change of U.S. policy to produce a Middle East settlement acceptable to the Arabs and covering the occupied West Bank, the Palestinian problem and Jerusalem.

"Most Arabs have agreed with these political goals, but they have not been obtained, and now there is criticism even inside Saudi Arabia," Mr. Akins said. Other sources said the frictions reach into the Saudi royal family.

Egypt Reportedly Urges Stronger U.S. Role In Countering Mideast Military Problems

By Don Oberdorfer
Washington Post Service
WASHINGTON — Vice President Hosni Mubarak of Egypt, in two days of high-level Washington talks, asked the United States to take a stronger hand in the Middle East to counter difficulties on several fronts, according to Egyptian sources.

Mr. Mubarak, who was dispatched by President Anwar Sadat, met Friday with President Reagan and Defense Secretary Caspar W. Weinberger and was Secretary of State Alexander M. Haig Jr.'s guest Saturday at a working luncheon.

Afterward, Mr. Haig called the discussions "very successful" and pledged that the United States will be a "full partner" in the Middle East peace process. He also said there is a "close convergence of outlook and policy" between the United States and Egypt on international questions. But he gave no

new details of U.S. plans in the area. News reports from Cairo on the Mubarak mission concentrated on Mr. Sadat's growing concern about the possibility of a military confrontation between Sudan and Libya, Mr. Sadat's arch enemy. High Egyptian officials said Mr. Mubarak is asking Washington to supply additional arms, including anti-aircraft missiles, to Sudan.

The Reagan administration has requested a sharp increase in military sales credits for Sudan to \$100 million this year, but the foreign aid bill carrying those funds is bogged down in Congress. Mr. Mubarak was reported to have asked the top administration officials to speed military deliveries for Sudan.

According to Egyptian sources, the Egyptian vice president also asked the Reagan administration for prompt action that would reassure the anti-Soviet Islamic countries.

Senate Confirms Envoy to Romania

WASHINGTON — The Senate has confirmed the nomination of conservative historian David Funderburk as U.S. ambassador to Romania despite criticism of his book charging that American universities put Communism in a favorable light.

Mr. Funderburk, 37, a history professor who is fluent in Romanian, was approved 75-19 with Sen. Mark Hatfield, Republican of Oregon, voting present. The nomination, voting present by conservative Sen. Jesse Helms, Republican of North Carolina.

Opposition to Mr. Funderburk stemmed from a book he wrote in 1978 entitled "If the Blind Lead the Blind: The Scandal Regarding the Mis-teaching of Communism in American Universities."

Tass Warns Of 'Counter' To MX Plan

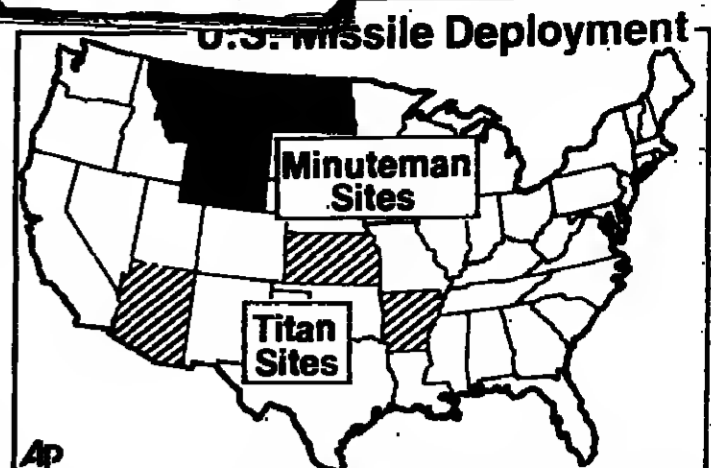
Moscow Says System Escalates Arms Race

By John F. Burns
New York Times Service
MOSCOW — The Soviet Union, according to Tass, would have "an appropriate counterbalance" to President Reagan's decision to deploy the new MX missile in fixed sites, revive the E-1 bomber and proceed with an improved version of the submarine-based Trident missile.

The press agency said Saturday that the program "signals the start of a qualitatively new stage in the nuclear arms race and increases the danger of war." Tass added that Mr. Reagan's motive was "to ensure military superiority over the Soviet Union" by gaining the capacity to carry out a first strike.

"The USSR has not gone and does not intend to go further than concern for its own security and that of its allies," Tass said. "But the Soviet Union will not be unmindful to the appearance in United States arsenals of new, even more formidable types of weapons. If that happens, the Soviet Union will have an appropriate counterbalance to such weapons."

Less of a Challenge
The pledge to match U.S. arms programs and maintain what the Russians view as rough parity in strategic forces was consistent with



MISSILE SITES — Locations of the still undeveloped MX missiles under a program announced by President Reagan are shown on a U.S. map. He rejected the proposal of shutting the missiles among "soft" shelters in Utah and Nevada and decided to put them in silos now occupied by Minuteman missiles, in Montana, North Dakota and Wyoming (in black), and Titans, in Arizona, Nebraska and Arkansas (with diagonal shading).

statements made in recent months by Leonid I. Brezhnev, the Soviet leader, and by high-ranking Soviet military officers.

Some Western diplomats said that the Soviet leadership was probably relieved that President Reagan had dropped the Carter administration plan for a mobile basing system for the MX in favor of deployment in fixed sites. According to the diplomats, MX deployment in hardened silos probably presents less of a challenge in Soviet statistics.

The diplomats said the fixed-site approach was likely to prove less demanding of the Kremlin's resources of finance and technology, areas in which the Russians have been showing signs of strain.

The president's choice of a silo-based system for the MX evidently came as a surprise in Moscow, since Saturday's issue of Pravda, which went to press earlier, still referred to the mobile basing concept as "the Pentagon's osw toy."

Public Not Told
As late as Saturday morning, 12 hours after Mr. Reagan spoke, Tass was quoting opponents of the mobile system as though this had been the Reagan administration's choice.

The Kremlin's surprise may also explain why Tass, in its news report from Washington and in its commentary, omitted any details of the basing aspect. The Soviet public, for the time being at least, is thus being left in the dark with regard to the change.

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Hinckley Calls Reagan 'Best President'
NEW YORK — John W. Hinckley Jr., the man who shot Ronald Reagan, thinks Mr. Reagan is the best U.S. president of the century, according to a letter he sent to a magazine in the United States.

The letter also included a personal note to actress Jodie Foster, asking: "Will you marry me, Jodie?" Mr. Hinckley's obsession with Miss Foster, who played a teen-aged prostitute in the movie "Taxi Driver," is believed to have sparked his March 30 attempt on the president's life as a way to impress her.

The letter, postmarked Sept. 25 and published Saturday, was sent to Newsweek by Mr. Hinckley in response to 20 questions posed by the magazine.

In the letter, handwritten on yellow legal paper, Mr. Hinckley, 26, said that the late John Lennon is

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Australians Fear That the Worst Is Yet to Come in Scandal on Beef Exports

By William Branigan
Washington Post Service

MELBOURNE — As scandals go, it has the makings of a classic; a slowly unraveling string of revelations, suspicion of a cover-up and a central figure named Nixon.

Other elements of the story include a squabble over states' rights and memories of a long-dead race horse. But these are only peripheral to the main aspects of the scandal; the potential damage to millions of dollars in trade and to Australia's international image.

Several weeks after U.S. officials found horse and kangaroo meat in Australian beef shipped to the United States, the scandal is still reverberating here. The government has been pressured into forming a commission to investigate the affair, and revelations about meat substitution for the domestic market are widely expected.

In an effort to restore foreign confidence in Australia's \$1.2 billion-a-year meat export industry, the minister responsible for the industry, Peter Nixon, is making a world tour. The opposition Labor Party has called for his resignation.

Critics charge that the government of Prime Minister Malcolm Fraser has tried to contain the scandal at every turn, only to see it lurch out of control.

Although as yet still only a side issue, the scandal has added to pressures on the government from inside and outside the governing coalition. Political observers see the scandal as contributing to allegations of maladministration by the Fraser government and criticism of his coalition partner, the National Country Party. Both Mr. Nixon and his controversial predecessor as minister for primary industry, Ian Sinclair, are members of the party.

Especially damaging have been revelations that Mr. Nixon knew of allegations about illegal practices in the meat industry for as long as a year before the scandal broke and that the federal police, Australia's equivalent of the FBI, had been aware of such charges since 1975.

The issue first surfaced publicly in 1977 when Sen. Cyril Primmer brought it up in Parliament. The Labor Party member from Victoria, the state where the scandal originated, said meat substitution was taking place, named the companies involved and described how it was being done.

The matter was referred to Mr. Sinclair, then minister for primary industry, who later released a brief statement saying that a police investigation showed there was nothing to the allegations.

Disclosed in U.S.

Government opponents say that when the scandal did break, as a result of disclosures in the United States, the Australian administration compounded it by trying to contain it.

"The minister wasn't prepared to do anything at first," said John Kerin, the Labor Party spokesman on primary industry. "He just didn't seem to take it seriously."

Under pressure, the administration set up an interdepartmental committee to look into the scandal. When that was criticized as inadequate, the government turned over the matter to a police investigation, sent Mr. Nixon overseas and finally acceded to opposition demands for a full judicial inquiry by a royal commission. Similar to a U.S. grand jury, the royal commission will have the power to subpoena witnesses and conduct a full-scale investigation.

Since the opposition called for the commis-

sion early last month, the case has taken some new twists. After the acknowledgment that Mr. Nixon and the federal police had already known of the allegations, Mr. Nixon announced the suspension for 30 days of export operations by all meat processing plants in Victoria State.

At the same time, police in Victoria leaked word that meat exporters in the state had been consistently tipped off about when U.S. officials were to arrive to conduct spot checks of Australian plants processing meat for the United States. Later in the month Mr. Nixon announced the discovery of more horsemeat mixed with U.S.-bound beef.

Small Percentage

Officials to the Ministry for Primary Industry say the United States buys about 60 percent of Australia's total meat exports, amounting to \$700 million during the 1980-81 fiscal year, but that the three illegal processors discovered so far accounted for less than 1 percent of the exports to the United States.

The government's apparent reluctance to expose such malpractices has been seized by the opposition to hint darkly of more sinister motives.

Mr. Kerin last month was quoted as alluding to allegations "including not only fraud on a massive scale, but possible corruption at an official level and a political cover-up to protect supporters of the National Country Party."

So far police have arrested one man in the case, a manager of one of the three Melbourne companies from which all the adulterated beef found up to now has originated.

Eating 'Roos

Although the substitutions have been discovered only in meat bound for export, many Australians believe further investigations will show the practice to be more widespread. "I suspect we have been eating a lot of 'roo meat and not knowing it," said Mr. Kerin, using the Australian term for kangaroo meat.

For Australians, the thought of eating kangaroo meat is not as disconcerting as for Americans. Although not on the menus of most city restaurants, it is commonly eaten in the rough interior region called the outback and has been a staple in the diets of aborigines for thousands of years.

One reason that the export market has been the focus of attention is that Australia has a

government inspection system only for foreign-bound meat. A dispute over states' rights has prevented the Australian government from extending the system to the domestic market.

Despite the potentially serious impact on the meat export industry, some Australians derive mischievous satisfaction from putting one over on the Americans. This is where the race horse comes in.

'Phar Lap's Revenge'

It seems that in the 1930s an Australian horse named Phar Lap was winning every race in sight here when its owners decided to go for the big money in the United States.

But after winning a big race in Australia, the mighty gelding suddenly died. Investigations were convinced Phar Lap was poisoned by American horse owners. So popular was the horse that a newspaper ran the headline "Nation Mourns." Phar Lap's heart was enshrined at the Institute of Anatomy in Canberra and its hide hung in a Melbourne museum.

Australians have never forgotten the horse's mysterious death. And so the adulterated-beef scandal has received another nickname: "Phar Lap's revenge."

Venezuela at Crossroad After Betancourt Death

By Juan de Onis
International Herald Tribune

CARACAS — The death of Rómulo Betancourt, who led Venezuela out of dictatorship into a pluralist democracy, has come at a critical moment in the political life of this country.

A throng of mourners accompanied the funeral procession Friday of the former president and founder of the Democratic Action Party who died at age 73. Leading the procession to the cemetery, beyond the skyscrapers and freeway interchanges of this modern capital, was President Luis Herrera Campins, of the Social Christian Party.

In recognition of Mr. Betancourt's importance as a democratic leader in Latin America, the presidents of Colombia and the Dominican Republic attended. The Reagan administration sent Vice President Bush. West European social democracy was represented by Bert Carlsson, of Socialist International.

Democratic Ideal

What most Venezuelans realized — even many who came of age after Mr. Betancourt's presidency of 1960-1964 — was that the country had lost a figure of moral stature and historical importance, who cannot be matched to the present generation of political leadership.

Mr. Betancourt, during a political career spanning 40 years, was inflexible in opposition to the military dictatorships that ruled Venezuela. But in pursuit of his ideal of democratic government, he was a

master of consensus with other party leaders.

Puffing on the briar that became his political symbol, Mr. Betancourt would say: "Politics is not a battle between Roman gladiators to see who will die first. It is a confrontation of ideas."

In preparing the overthrow in 1958 of the military dictatorship of Col. Marcos Pérez Jiménez, which was supported by foreign oil companies and the U.S. secretary of state then, John Foster Dulles, Mr. Betancourt built an understanding with Rafael Caldera, the Social Christian leader, and other democratic groups of the left. That understanding has remained the foundation of constitutional rule, with alternation of parties in power through free elections.

In office, Mr. Betancourt ran an administration free from the scandals of corruption, which is a major problem in a country where the state's oil revenues, now over \$18 billion a year, are the largest source of contracts, jobs and political favors.

As Venezuela prepares for national elections in 1983, the two big parties, the Democratic Action Party and the Social Christian Party, continue to dominate the political scene. The socialist MAS, led by former pro-Cuban guerrillas who now sit in Congress, is a distant third.

Art of Compromise

But the art of compromise among political leaders has been badly frayed during the previous administration of President Carlos Andrés Pérez, of the Democratic



Thousands joined the funeral procession of the former Venezuelan president, Rómulo Betancourt.

Action Party, who spent lavishly on public projects and consumer subsidies, paid through increased oil revenue.

With oil income continuing to pour in, the present administration of Mr. Herrera Campins has designated many party loyalists to take high-level jobs in state enterprises — including the state oil company — that had been considered non-political. The opposition majority in Congress has retaliated by rejecting the administration's requests for borrowing authority to carry out politically attractive housing programs.

With inflation reaching 20 per-

cent last year — a record in recent Venezuelan history — the attitude of many Venezuelans toward the political leaders in both parties is highly critical. Despite huge spending programs, the economy has not shown any real growth in three years. There is a widespread feeling that the democratic parties have failed to administer Venezuela's oil bonanza efficiently and have wasted enormous sums in failed projects, political subsidies and corruption.

The leadership of the Democratic Action Party is in dispute now that Mr. Betancourt is no longer the senior arbiter of rival claims. Mr. Pérez is the most popular fig-

ure in the party, but the charges of corruption during his term have tarnished his image. Tactful negotiations on the next presidential candidacy and other issues will be needed to avoid a party split.

In the eulogies showered on Mr. Betancourt by speakers and in Venezuela's press, the recurrent theme has been that the example of Mr. Betancourt, as an honest public figure and a skillful compromiser, must somehow take hold within the new generation of political leaders — if 17 million Venezuelans are to keep their faith in democracy as a way to achieve economic development with social equity.

U.S. Doctors Find Clot-Dissolving Drug Aids Treatment of Heart Attack Victims

By Victor Cohn
Washington Post Service

WASHINGTON — A Boston medical team is using a clot-dissolving drug to protect the heart from crippling damage after an attack.

In what they call "an exciting new approach," doctors at both Harvard Medical School and Harvard Medical School are using a powerful enzyme to reopen the clogged arteries that caused the attack. This re-establishes blood flow before a large area of heart muscle dies.

The new treatment must be more widely tested, however. It apparently can work only when the enzyme is given within a few hours of the attack.

The method could bring a large reduction in heart attacks, the leading cause of death in the United States. Its use could spread as rapidly as the coronary bypass surgery and new drugs that have been revolutionizing heart care.

In Thursday's New England Journal of Medicine, Dr. John Markis and colleagues reported favorable results in seven of nine men aged 47 to 67 who arrived within three hours of their first chest pains.

The cause of most heart attacks, he said, is a blood clot that blocks one of the coronary arteries that surround the heart and feed it fresh blood and oxygen.

The researchers threaded a catheter through a blood vessel to the heart. There they injected streptokinase. Within 20 minutes, the blocked arteries usually opened up, and in seven of the nine patients, blood flow was restored to heart muscle that ordinarily would soon have died.

One of the patients has died. The method is "not without possible harm. Disturbances in heart rhythm often occur when clots dissolve. But problems seem minor, Dr. Markis said, compared with extensive heart-muscle death.

Now he will see whether patients whose clots are dissolved live longer.

Nixon Accused of Filing False Description

By Stuart Taylor Jr.
New York Times Service

WASHINGTON — Former President Richard M. Nixon has been accused of filing in court a "false and misleading" description of a tape-recorded conversation he had with an aide in the White House on May 5, 1971, concerning measures to harass anti-war demonstrators here.

The charge was made in papers filed Friday in a decade-old lawsuit in U.S. District Court here by a lawyer representing 1,200 anti-war demonstrators who were arrested on the Capitol steps the same day. The arrests were later declared unconstitutional.

Warren K. Kaplan, the lawyer, sought a court order requiring Mr. Nixon "to show cause why he should not be held in contempt of court" for filing "grossly misleading and deceptive" descriptions through his lawyers, "presumably

intended to discourage the court from reading the actual transcripts and to forever conceal Nixon's words and actions from the plaintiffs in this case."

R. Stan Mortenson, a Washington lawyer for Mr. Nixon, responded Friday that the former president "had nothing to do with the preparation of the index" and that "we as counsel for Mr. Nixon stand behind the validity of the index."

Assertion Called 'Ridiculous'

"As for his assertion that the index is misleading," Mr. Mortenson said, "it is ridiculous to suggest that we as counsel for Nixon hid the court since the court has had all of the National Archives transcripts in their entirety to compare with the index."

Both Mr. Mortenson and Mr. Kaplan, who is working with lawyers for the American Civil Liberties

Union in the case, said they could not disclose what was in the index because of a secrecy order issued by Judge William B. Bryant.

Mr. Kaplan based his request on a partial transcript of a White House tape recording of the conversation in which Mr. Nixon endorsed a suggestion that "things" from the International Brotherhood of Teamsters be used to assault the protesters.

The transcript, published in The New York Times on Sept. 24, disclosed a conversation in which the president and H.R. Haldeman, then his chief of staff, discussed a suggestion by Mr. Haldeman that Teamsters be hired to "go in and knock their heads off," as Mr. Haldeman put it.

Misrepresentation Charged

Mr. Kaplan said in Friday's motion that the published transcript "demonstrates conclusively" that an index filed by Mr. Nixon's lawyers last October "sharply misrepresented the true character" of the conversation.

Mr. Kaplan subpoenaed the transcript as part of an effort to prove that the arrests on the Capitol steps and other mass arrests the previous two days were part of a conspiracy, orchestrated from the White House, to violate the constitutional rights of the demonstrators.

U.S. Citizens to Get Break In Fighting Government

By Mary Thornton
Washington Post Service

WASHINGTON — Everyone has heard the horror stories. Small businesses or individuals forced to pay U.S. government taxes or fines they did not think they owed, giving up without a struggle because it is cheaper to pay the taxes or fine than to hire an attorney to fight them.

For a lot of people who have despaired of ever being able to fight the U.S. government on an equal footing, relief may be here. Starting Thursday, any federal agency that loses a case, unless the agency can prove it had a good reason to bring its case (so far undefined), is going to have to pick up the legal costs of the winner.

Any citizen whose net worth is \$1 million or less and any business with no more than 500 employees and \$5 million or less in net worth can take advantage of the law. In addition, nonprofit businesses and agricultural cooperatives are eligible, regardless of their net worth, if they have no more than 500 employees.

"For the first time, it will give the average citizen a chance to stand up on a stool eye to eye with Uncle Sam and slug it out," said Sen. Dennis DeConcini, Democrat from Arizona, one of the major forces behind the new law.

Attorney Fees

The government would have to pay up to \$75 per hour in attorney fees and the costs for any sort of expert witnesses needed to prove the case.

The intention of the new law, which will be tested for a three-year period, is to discourage the government from bringing frivolous or unwarranted cases.

During congressional hearings on the issue, most complaints centered on the Internal Revenue Service, the Environmental Protection Agency and the Occupational Safety and Health Administration.

While small business groups are understandably delighted with the law, government agencies have opposed it. Some government officials say they fear that the change will have a chilling effect on agencies' enforcement efforts.

In addition, no one knows what the law will cost or where the money to pay the fees will come from. No funds have been appropriated, and it is unclear whether the money will come from agency budgets or the Treasury.

Estimates prepared for Congress indicated that the government is losing about one out of every five cases that come before federal district, claims, customs and appeals courts. The estimates assumed that the government would have to pay costs in about 25 percent of the cases it lost.

In hearings before the agencies' administrative law judges the loss rate is much higher, 55 percent, and the estimates assumed that the government would also have to pay fees in about 25 percent of those lost cases.

From Agency Dispatches
NEW YORK — Hazel Scott, 61, the jazz pianist and singer who was once married to the late Rep. Adam Clayton Powell Jr., died Friday of cancer of the pancreas.

Hazel Scott, Jazz Pianist and Singer, Dies

From Agency Dispatches

NEW YORK — Hazel Scott, 61, the jazz pianist and singer who was once married to the late Rep. Adam Clayton Powell Jr., died Friday of cancer of the pancreas.

In December, 1940, when Miss Scott made her piano debut at Carnegie Hall, she began by playing Liszt's "Hungarian Rhapsody No. 2" in a conventional style. Then she switched to her own modern-jazz interpretation. "It was witty, daring, modern, but never irreverent," wrote a critic reviewing the performance. "Liszt would have been delighted."

Born in Trinidad to a Liverpool-born teacher of English and his musician wife, Miss Scott was brought to the United States in 1924. A prodigy, she was playing

in public at 13. At 18, she added singing to her act after introducing the hit song "Franklin D. Roosevelt Jones" in the 1938 Broadway show "Sing Out the News."

Miss Scott was married in 1945

to Rep. Adam Clayton Powell Jr., the Harlem politician and minister who became one of the most powerful congressmen in the United States. They were divorced in 1960.

Suehiro Nishio
TOKYO (UPI) — Suehiro Nishio, 90, who was instrumental in creating Japan's first coalition

7 Missing in the Himalayas

The Associated Press

NEW DELHI — Seven Japanese mountaineers are missing and feared lost in an avalanche on 6,611-meter (21,816-foot) Nanda Kot peak in the Himalayas, Japanese Embassy officials said Saturday.

Contact was lost with the climbers Sept. 27 and then heavy snow fell on the mountain, setting off avalanches, a message from a base camp was quoted as saying.

Mr. Papanastassiou, 34, is a Greek citizen who has been in the United States since 1978 while at Columbia University, according to his lawyer.

At his arraignment Friday night in New York, he was charged with transporting in interstate and foreign commerce stolen goods valued at more than \$5,000 and with bartering to sell and dispose of them. He faces a maximum penalty of 10 years imprisonment and a \$10,000 fine on each of the two counts lodged against him. He was ordered held on \$25,000 bail for a hearing on Oct. 9.

Fidel La Barba
LOS ANGELES (UPI) — Fidel La Barba, 76, Olympic boxing gold medalist in 1924 and world flyweight champion from 1925 to 1927, died Friday.

Mr. Nishio joined the coalition government of Socialist Prime Minister Tetsu Katayama as chief cabinet secretary and remained in the following coalition government as deputy premier. In 1959 he broke with the Socialists and in 1960 created the center-left Democratic Socialist Party.

OBITUARIES

To Rep. Adam Clayton Powell Jr., the Harlem politician and minister who became one of the most powerful congressmen in the United States. They were divorced in 1960.

Suehiro Nishio
TOKYO (UPI) — Suehiro Nishio, 90, who was instrumental in creating Japan's first coalition

government in 1947 and who later founded Japan's Democratic Socialist Party, died Saturday of a kidney ailment.

Mr. Nishio joined the coalition government of Socialist Prime Minister Tetsu Katayama as chief cabinet secretary and remained in the following coalition government as deputy premier. In 1959 he broke with the Socialists and in 1960 created the center-left Democratic Socialist Party.

Fidel La Barba
LOS ANGELES (UPI) — Fidel La Barba, 76, Olympic boxing gold medalist in 1924 and world flyweight champion from 1925 to 1927, died Friday.

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Europe Delegates Criticize Turkey

STRASBOURG, France — Parliamentarians speaking at the Council of Europe condemned the composition of the Turkish constituent assembly, which is due to start drawing up a new constitution in Ankara later this month.

French, Dutch and British Socialists and Italian Communists told the council's Parliamentary Assembly that the Turkish body, whose members are to be chosen by military rulers, bore no relation to democracy. Most speakers, however, held back from a suggestion that Turkey be expelled from the council, which groups most of non-Communist Europe.

A final opinion by the Parliamentary Assembly on Turkey's status should await the outcome of a visit there by a group of its deputies in December, they said. Delegates are expected on Monday to approve a resolution that appeals to Turkey to restore democracy.

As Conservatives Move In, Norway Debates How Rapidly It Should Develop Oil and Gas

By Axel Krause
International Herald Tribune

OSLO — A controversy over future development of Norway's oil and gas is expected to resurface as the Storting (parliament) meets this week for the first time since elections last month.

Key decisions by the new conservative minority government — which could have broad economic and strategic significance for Norway and other Western industrialized nations — are expected to emerge from the debates, senior Norwegian government, parliamentary and business leaders said in recent interviews.

A crucial question is whether Norway should sharply boost overall oil and gas production. Growth rates now are slowly flattening, officials said.

The slowdown is coming mainly in the North Sea's Ekofisk fields, which last year accounted for roughly 74 percent of Norway's total oil and gas production.

Statoil Role

A related and more immediate question is whether the parliament should also curb the growth of Statoil, Norway's government-controlled oil company. Since its founding nine years ago, the company has developed into Norway's second-largest and has become one of Scandinavia's most successful companies.

In last month's parliamentary election campaign, Statoil's critics, led by Conservative Premier-elect Krause, Willoch, urged a greater role in the future energy schemes for other Norwegian companies and, possibly, multinational oil firms, with a view to expanding overall oil and gas exploration and production.

Some harder-line non-Socialists friendly to Mr. Willoch urged that Statoil's growth be deliberately curbed, claiming the company had

evolved into what one leader described — with some exaggeration — as "a monster."

Discussing the link between the two energy questions, a Western diplomat in Oslo said, "The gut issue is that if Norway is going to expand oil and gas output, who will do it?"

Norwegian leaders agreed with the diplomat that the potential is enormous, noting the North Sea area is widely recognized as the most important new oil and gas region outside the Middle East.

Mr. Willoch, whose Conservative minority government will take office on Oct. 13, has been deliberately guarded in his comments since the election victory.

"Once we are constituted as a government, we will be looking at these questions related to our energy future and then decide how to act," he said.



Arve Johnsen

The stakes in the outcome of the deliberations are considerable for Norway's economy and its ambitious government programs, which have become increasingly dependent on oil revenues. Without oil money, Norway would have substantial budget deficits.

This year's combined oil and gas production will total a record 50.5 million metric tons and, according to plans approved by the outgoing Labor government, the total will rise to about 65 million tons in the second half of the decade. Under the Labor-controlled Storting, a ceiling of 90 million metric tons was set for 1990.

Taxes and royalties generated by oil and gas production will total a record \$6 billion this year, equal to roughly 15 percent of Norway's GNP and roughly one third of the nation's total export earnings, government officials said.

But with oil revenues, Norway showed a record budget deficit of more than \$3 billion in 1981. The outlook is similar in 1982, according to government estimates.

Senior government and industry officials emphasized that the current production expansion represented a sharp slowdown from growth rates of the past several boom years.

"Oil production activities now are growing much more slowly than previously and, partly as a result, they will have negative impact on our GNP growth this year," said Egil Bakke, chief economist for the Federation of Norwegian Industries.

He cited a recent economic outlook report drafted by the federations of Nordic industries, which said: "In volume terms, exports of oil and gas [from Norway] are now estimated to decrease by some 5 percent from 1980 to 1981 compared to a growth rate of some 20 to 25 percent, both in 1980 and 1979."

"The present dilemma is that oil prices have been falling, our inflation and public spending rising and our traditional exports are not competing as well as in the past due to the recession," said a senior Finance Ministry civil servant.

"We are sensing the beginning of a potential squeeze," he said. But, he quickly added, "Of course, Norway neither can, nor will, start pumping new oil and gas immediately, yet the pressures to do so are clearly building from within our economy."

Pressures to Expand

Additional pressures are coming from Western energy planners, including UN Lantzke, secretary general of the International Energy Agency. In a speech in Oslo earlier this year and in subsequent statements, Mr. Lantzke has regularly urged that Norway develop some of its big gas fields to the point of production, which could be conserved or held in reserve for a future energy crisis.

Similarly, in Washington, Reagan administration officials have viewed Norwegian oil and gas reserves as a handy and logical alternative to the Soviet Union's expanding efforts to sell additional natural gas supplies to Western Europe.

"We are not pushing Norway very hard or very openly, since it is their decision to make, but the administration has not hidden its view on getting Norway to consider more rapid expansion," a senior U.S. official said.

It is too early to assess in which direction the new parliament and the government will move, considering the new political complexities created by last month's elections, political observers said. Mr. Willoch and his party still have not resolved long-standing differences with other non-Socialist parties.

The Christian People's and Center parties said last month that



A fleet of eight tugboats moving the Statfjord-B oil platform to a drilling site in the North Sea.

while they would cooperate with the Conservatives, which won 54 of 155 parliamentary seats, they would not join a coalition government. But throughout the campaign their leaders said they wanted Norway's oil and gas output held at present levels or slashed, emphasizing the need to protect Norway's environment.

Statfjord Field

The lame-duck Labor government decided after the elections that Statoil should take over the operator role in the offshore Statfjord field, the largest discovered yet in the North Sea. Last week, Mr. Willoch indicated that he definitely plans to avoid rushing into decision on that issue.

Mobil Oil of the United States, which was originally designated as operator and owns 12.6 percent of the venture, said the decision was "over hasty" and urged a full investigation.

but with a large share owned by French private interests.

The other company is Saga Petroleum, which is owned by Norwegian industrial companies and private individuals. Like Norsk, it already participates in North Sea oil and gas ventures.

Norwegian officials said that they were betting heavily on both companies to get approval to expand these activities, possibly in partnership with multinational companies.

Arve Johnsen, the U.S.-trained executive who has been president since the company was founded, said that any change in Statoil's strategy was clearly up to the government.

"We are the state's representative in oil, that is what we have been doing, and we presently have no plans to change," Mr. Johnsen, a former secretary of state for industry in a previous Labor government, said Friday in a telephone

interview from the Stavanger headquarters of the company.

"If you look at our record, you will see what we are capable of doing," he said, adding that there was no change in his earlier predictions that Statoil's after-tax earnings will climb sharply to a record 1 billion kroner (\$184 million) this year on record turnover of 12 billion kroner.

Meanwhile, it was noted that the new Cabinet announced Thursday, included Vidkun Hovding as energy minister. Although a Conservative, he formerly served as deputy chairman of Statoil and is known to admire Mr. Johnsen.

A French oil executive, who was in a downtown Stavanger hotel en route to an offshore drilling platform, said that "the oil story here is far from over and if I had to bet, it would be on all the companies playing a greater role in the expansion for many years to come."

Whites' Insecurity Is Increasing in Zimbabwe

By Joseph Lelyveld
New York Times Service

SALISBURY — In the formerly all-white suburbs, the bougainvillea and jacaranda still flourish luxuriantly over manicured lawns. No houses stand empty there and, in the mornings, traffic jams are still created by whites driving downtown to their accustomed places in business and government offices.

The country clubs and greens where men and women in their summer whites gather for their Sunday games of bowls appear as popular and insulated as ever. And Ian Smith, the former prime minister, still shows up once or twice a week on the opposition front bench in Parliament to sit stoutly through speeches of Cabinet ministers he once jailed as terrorists.

Yet for all the surface evidence of continuity, of a way of life not just resistant but impervious to change, the white majority of the former Rhodesia is being eroded, crossed then over in his own anxieties. Its accustomed privileges are gradually being worn down by fiscal and administrative measures, and many now see signs that the emigration rate is about to rise sharply.

Plans Confirmed

A government official, an African from South Africa who solicited here as a young man, said four friends came by last weekend to confide their plans for leaving. He himself would like to stay on and go into farming, he said, but his Rhodesian-born wife has caught the fever for getting out of Zimbabwe that seems to be sweeping through their affluent suburb, where they live in a spacious house with two living rooms looking out on a quarter-acre yard and a large swimming pool.

It is a standard of living that he knows could not easily be matched in South Africa or beyond.

Those who have decided to go offer a catalog of calculations and reasons, but if there has been any simple catalyst for the latest epidemic of white insecurity, it seems to have been a decision by the government last month to ban the export of household furniture and appliances by departing residents.

The declared aim of the move was to stop smuggling of restrictions on the removal of hard-currency assets from the country by emigrants, some of whom had been buying up extra living room sets and refrigerators for resale in South Africa.

Sudden Realization

Many whites who had been planning to hold on suddenly realized that they would have got more of their assets out of the country if they had pulled up stakes six months ago.

A phenomenon akin to panic buying then seems to have set in, with many whites figuring that the government might have to tighten its restrictions further if the exodus gathered momentum and that,

therefore, they had better get out now.

Foreign currency regulations now actually make more money available to families that say they are going on vacation than families that acknowledge they are leaving for good: The natural but unquantifiable result is that many emigrants go on vacation and never return.

No one knows exactly how many whites have left Zimbabwe since independence or how many remain.

2 Percent of Total

Estimates of the white population range now from 165,000 to 190,000, barely 2 percent of the nearly 8 million Zimbabweans. According to the official figures on emigration, 12,551 left in the first seven months of the year, an increase of roughly 50 percent over the same period last year.

The official figures do not cover the last six weeks, which have seen the worst deterioration of white morale.

Based on current trends, it seems probable that one-quarter of the whites who were in Zimbabwe when it came under black-majority rule in April, 1980, will have left by the time it marks its second anniversary.

In addition to currency restrictions, whites who are getting set to go complain of new dividend and capital gains taxes, of import restrictions that they predict will lead to a business slump, of a more

restrictive attitude to business profits and entertaining, and of several other factors.

Unhappiness With Mugabe

Whites have been especially disillusioned by Prime Minister Robert Mugabe's evident lack of interest in reversing the measures they see as "anti-white."

"The whites don't realize that they are now irrelevant politically," commented Alan Palley, who was one of the country's few white liberals in the Smith years when the whites showed no qualms about one-party rule. "This is now a black country. Politics has to be directed to the black great roots."

No white property has been confiscated, Mr. Palley noted, and the government's financial measures have been conservative by Western standards.

"There has been no sign of any socialism in this country, but there have been tremendous advances on the welfare side," he continued. "In that way, the country has got back into the world. The policy is egalitarian, not anti-white, but it can only be at the expense of privileges, which only whites enjoyed."

Massimo Buletti, who is planning to close the Capri Restaurant in Bulawayo and return to Italy after 16 years because so many of his partners have decamped, also blamed the whites and not the blacks for the exodus.

In a barbed summing-up of the whites, he said: "They know only gin and tonic, briefs and what

to put in their pools." A briefcase is a barbecue.

The most important sector of white society from the standpoint of Zimbabwe's economic future has been the one least affected by the jitters — the 4,000 to 5,000 commercial farmers who raise more than 80 percent of the food that goes to market.

In the farming community of Wedza after one of the finest harvests in memory, 120 whites and 40 blacks gathered for an interdenominational thanksgiving service where funds were collected for a new church. Five clergymen participated, one of them a black who read from Deuteronomy: "For the Lord thy God bringeth thee into a good land, a land of brooks and water, of fountains and depths that spring out of valleys and hills ..."

Later, in the pub at the Wedza Club, where the roof had been newly thatched and the lines on the tennis court newly chalked, the white farmers discounted the anxieties of the city dwellers. A Wedza family had gone to Canada last year, they said, and had already returned because they found the life there too hard.

A farmer named Michael Milland said his family left Kenya in 1961 as soon as blacks came to power there. Last year he visited Kenya and now he thinks leaving there was a mistake, one that he doesn't want to repeat here. "We would have had 20 good years if we stayed," he said.

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INTERNATIONAL Herald Tribune

A 59% Rate of Asbestosis Is Found In Shipyard Workers Tested in U.S.

United Press International

LOS ANGELES — A study has found that 59% of the 1,018 shipyard workers tested earlier this year for asbestosis — a disease caused by exposure to asbestos — have the disease, according to the American Lung Association.

The survey, disclosed Friday, also showed that a significant number of wives and children had contracted the disease through exposure to the clothing, skin and hair of the shipyard workers. Asbestosis is a lung disease caused by inhalation of asbestos particles. The particles become embedded in

the lungs, leaving them permanently scarred.

The tests, done 20 years after the workers' first exposure to the material, showed that 31 of 305 wives of shipyard workers in Long Beach, Calif. — all of whom had no known exposure to asbestos outside the household — registered positive X-ray results.

The report was released for the lung association by Dr. Kaye Kilburn, a professor at the University of Southern California School of Medicine. It is the first report of asbestosis among family members of shipyard workers.

He said the agency regarded the cable supports problem with "the same level of concern as the pipe supports." The cable supports are metal trays that hold from several to a hundred metal electrical conduits.

Mr. Faulkenberry said the commission was concerned that the trays would not be sufficiently supported to withstand tremors from an earthquake that could pull the tray supports off the wall. He said if that occurred, "The cables could break loose and lose the ability to carry the required electrical current."

He said the problem with the cables would be taken up at a meeting Monday in Washington, between the commission and the company.

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MX, Sensible; B-1, Folly

President Reagan's solution to the MX problem resembles Churchill's comment about democracy: It's the worst system there is, except for all the others. After years of studying dozens of ways to make ground-based missiles invulnerable, Washington finally has admitted the sad truth: None works well. Other methods must be studied. More important, the Reagan proposals acknowledge indirectly that the danger lies in the future; there is time to reduce it and no need to panic over the "window of vulnerability" exploited in the 1980 campaign.

It is a courageous decision. Though politically popular in the West, it will infuriate hawks who think such retreat is perilous, and incite doves who think this interim position senseless. But going slow on the MX this way makes considerable sense.

Too bad the same cannot be said about the president's companion decision to build the B-1 bomber. If the MX course is brave and sensible, this one is folly, a painful waste of billions better devoted to other defense or social needs.

The MX plan begins with steel and concrete. Hardening existing Titan and Minute-man silos, Secretary Weinberger says, will make them safe for the MX until the end of the decade, and at small cost. What he means is that hardening will marginally increase the enormous uncertainties that already deter a Soviet first strike. That politically necessary increase, easier than eating crow, makes it possible to ditch the Rube Goldberg scheme to shuttle 200 missiles around 4,600 concrete shelters.

Second, a decision on a permanent basing system is wisely deferred for three years.

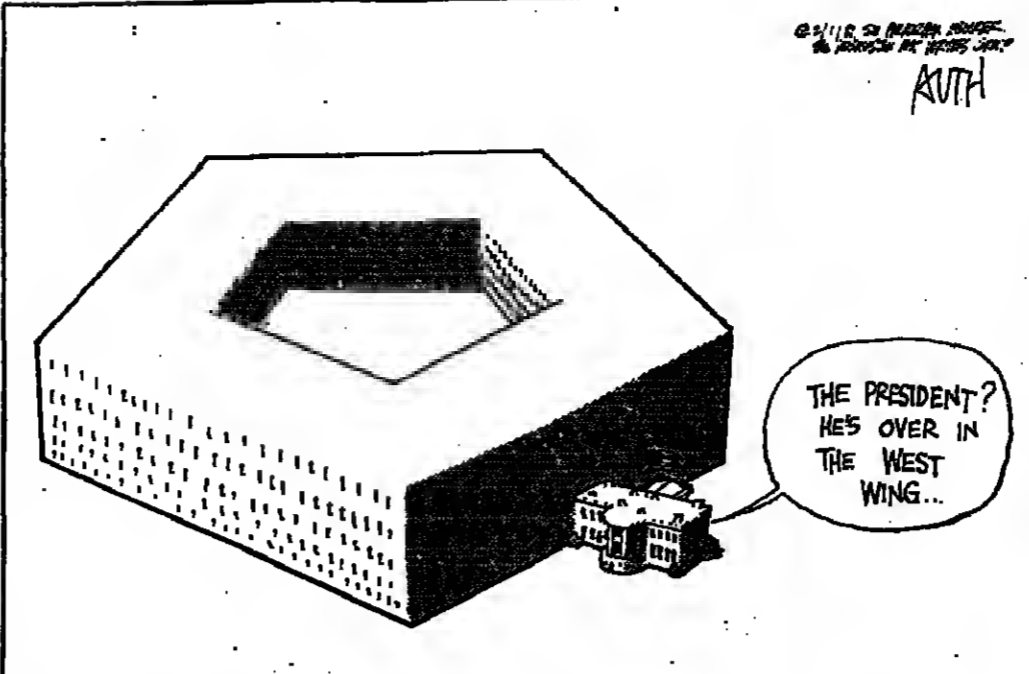
Meanwhile, research will be stepped up on new basing ideas: in airplanes, or deep underground and defended by anti-ballistic missiles. Other ideas are also worth intensive study, particularly small missile submarines cruising off the continental shelf.

Thus, the racetrack scheme is scrapped, and a lot of ideological garbage with it. With hysteria abated, the plan now is for 100 giant, 10-warhead MX missiles, instead of the 200 that were planned to "match" Moscow's hypothetical first-strike capability. More could be built later, of course. But for the moment there is no talk of a capability for fighting the kind of civilization-ending nuclear war that is euphemistically called "limited." The emphasis is on deterrence and a second-strike capability. All this contributes to the potential for useful arms control negotiations in which, as President Reagan has now said, everything can be on the table.

The main questionable element in Weinberger's grand strategic plan is the costly B-1 bomber — and how much it pumps up the \$180-billion cost of the five-year program. It would more than double strategic spending; as a result, conventional forces, if not domestic programs, may be shortchanged.

The B-1 is expensive as a bone to throw either to the Air Force in exchange for an MX slowdown or to the Republican right that President Carter outraged when he canceled the bomber in 1977. Remember, these planes will cost \$200 million each. And they are likely to be obsolete before they are deployed. It makes much more sense to concentrate on building one new bomber, the far more important "Stealth" plane, quickly.

THE NEW YORK TIMES



Reagan's Messy Foreign Policy

By James Reston

WASHINGTON — Since World War II, the United States has had presidents who have personally dominated the foreign policy of the nation — John Kennedy, Richard Nixon and Jimmy Carter, for example — and other presidents such as Harry Truman, who delegated the responsibility Secretary of State Acheson, and Dwight Eisenhower, who left the burden primarily to Secretary of State Dulles.

Now we have a president who is neither delegating authority to his secretary of state or anybody else. To put the point as gently as possible, this is becoming a bit of a mess.

A Peculiar Commitment

For example, at his latest news conference, President Reagan made two points that attracted particular attention:

- In his opening prepared statement, he said it was his duty to defend the broad national security interests of the United States, and that the Congress had an important role in this process. Then, in a clearly calculated shot at the Israelis, he added that "it is not the business of other nations to make American foreign policy."
- At the same news conference, he then demanded for the United States the right of intervention he had pointedly rejected for Israel. "I have to say that Saudi Arabia will not permit to be an Iran," he said, and "there's no way that we could stand by and see that [country] taken over by anyone that would shut off that oil..."

That is both a commitment and a contradiction, made off the cuff without consultation with the Congress, without evidence of a clear threat to the security of Saudi Arabia, without justification for the comparison with Iran and without the slightest indication of how he could fail to "permit" an internal uprising against the ruling monarchy in Saudi Arabia if one should occur.

Another example: Though the president was quite direct in telling Israel not to interfere directly or indirectly with American foreign policy, he was apparently quite indifferent to the central questions of U.S.-Israeli relations when he met with Prime Minister Begin in Washington last month.

After seeing the president, Begin met with the members of the Senate Foreign Relations Committee. Senator Pell of Rhode Island asked him what had been said in the White House about the West Bank and the Israeli settlements there. The prime minister replied that this topic had not been discussed between them.

Sen. John Glenn of Ohio said he must have misun-

derstood the answer to Pell's question. Begin assured him that he had not misunderstood. Glenn then asked, I am told, whether the president had raised the question of selling U.S. weapons in the Israeli raids on the nuclear facility in Iraq and on the PLO headquarters in Beirut. Had any understanding been reached about what were offensive and defensive weapons? Begin's answer was that the president had not talked to him about these matters either.

This misconduct of policy in the Middle East is becoming not only a problem but a bit of a diplomatic scandal. The Israelis are sore about Reagan's public rebuke. The Saudis are bewildered by the conflict between the White House and the Senate over the delivery of the AWACS and other military equipment, and they are furious at Reagan's presumption to speak publicly about what he would "permit" to happen in their country.

Meanwhile, even the Republican leaders in the Senate are irritated by the way the whole AWACS deal has been bungled. First, it was sprung on them without adequate consultation, which allowed time for the opposition to mobilize 50 senators against it. Then Richard Allen, the White House national security adviser, was assigned the job of repairing the damage.

Squabble and Wobble

When Allen talked with Glenn about the possibility that some senators might help arrange a compromise with the Saudis for joint control of the AWACS, so that the deal could be accepted by the Senate, Secretary Haig protested.

According to The Wall Street Journal, he was reported to have said he didn't want "any [obscenity] senators running foreign policy." Sen. Howard Baker of Tennessee, the majority leader, was reported to have replied that he didn't want "any [obscenity] secretary of state running the Senate."

So for the time being, squabble and wobble is the rule of the day not only on foreign policy but also on defense policy. As a down payment on a more expensive strategic security system later on, the president has asked, as a compromise, for "only" 100 MX missiles and 100 B-1 bombers. The cost for this "interim" program is expected to be \$180.3 billion.

The problem is not that Reagan meant to avoid, raising the tough questions with Begin, or that he infuriated the Saudis. It is that he is giving the impression that he's a nice guy who doesn't really mean anything, and is neither in charge, nor willing to decide who, if anyone, should be in charge.

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Balancing Guns and Butter

By George F. Will

WASHINGTON — The attack on the defense budget has begun, and suddenly the city is like a small town with a large stereo system playing a peculiar record. Arguments that for years have been pouring from the speaker on the left have been adjusted a bit and are pouring from the speaker on the right.

For years liberals have said: We favor a "strong defense program," but we mean by that a "reformed" military, "lean" and "purged from waste," with much procurement postponed until after a "strategic debate." Besides, the key to military strength is not military procurement. Rather, the key is urban renewal and affirmative action and a high minimum wage and — the entire liberal agenda. Why? Because only a happy, egalitarian, equitable America can be harmonious at home and a stunning example to the congested Third World.

Now, even as the president commits himself to such strategic systems as the MX missile and the B-1 bomber, some conservatives are saying: We favor strong defense program, but we mean a reformed military, lean and purged of waste, with procurement postponed until after a strategic debate. Besides, the key to military strength is not military procurement. Rather, the key is a balanced budget, a smaller percent of GNP for government, relaxation of the Clean Air Act, drilling in wilderness areas, and — the

entire conservative agenda. Why? Because only an economically vigorous America can be militarily strong.

The conservative rationalization, unlike the liberal rationalization, concludes with a truism. However, both are rationalizations for not doing what is unpleasant but necessary. And implicit in the conservative argument is the assumption that the U.S. economy cannot match the Soviet buildup.

The Soviet economy is much smaller, and is a tangle of irrationalities. Yet the Soviets spend 85 percent more than the United States on procurement. Americans spend, it sometimes seems, 85 percent of their time and energy concocting reasons why military material is not a necessary response.

There are crises in Poland, in the Gulf and in Central America, but the deadly crisis is in Kansas. I pick that state at random. It is moderate, humane, patriotic, and it favors increased defense spending — it favors that spending interfused with balancing the budget, the federal foreign policy — short of grain embargoes, naturally.

A similar analysis would fit any of the 49 other states. Will a tough foreign policy play in Peoria, Ill? Up to a point — the point at which the government, looking for ways of expressing disapproval of the proposed Soviet-to-Germany gas pipeline, considers blocking sale of pipe-laying machines made in Peoria by the Caterpillar Corp.

Everyman's Humanism, Nuclear Strategy and a Large Gap

By Stephen S. Rosenfeld

WASHINGTON — In the United States there is nothing like the anti-nuclear movement that is a real political force in Western Europe, but there is a shadow of it, and that shadow is sure to lengthen after the president's announcements on the MX missile and the B-1 bomber.

Now, if the European movement is to be any sort of model, the level of political debate is not going to rise. In Europe, anti-nuclear has turned out to be, on its leading edge, anti-NATO-nuclear, a euphemism for unilateral disarmament and, as such, an escape from strategic difficulty to political dreamland.

Worry Over SALT

Or rather, to political dangerland, since the unilateralists ask little of the Soviet side except that its representatives show up at international conclaves from time to time and agree solemnly that American nuclear weapons menace world peace.

But perhaps European unilateralism will not be the model for Americans. The political culture is different: The determined left is too recently repudiated, too incompletely rehabilitated, and the anti-nuclear core has not built European-type alliances with other special interests. Nor is there the

same enervating fear that the peace, where one actually lives might become somebody else's battlefield.

The greater likelihood in America is sharper public involvement in nuclear budgetary, planning and operational issues that previously were pretty much monopolized on the inside by specialists and on the outside by people who have been raising nuclear alarms for years without getting much of a rise.

If there is a single reason for this sharpening it is the SALT stand-off. Many people, I believe — not just the peaceniks — have been troubled by the accumulation of nuclear arms and by the drift in official discourse toward regarding nuclear war as an imaginable, fightable, even winnable.

Gloves Off

But they have felt the force of the perception that the Soviets are piling up bombs at a rate inconsistent with legitimate defensive purposes. They have been numbered by a consciousness that the whole issue seems so hard for officials, let alone simple citizens, to get a handle on.

Most of all, they have had a hard emotional grasp on SALT, which to them has held out a certain promise that all chance of restraining a runaway tendency has

Making Use of Hitlers In Fortress Guatemala

By Flora Lewis

GUATEMALA CITY — Nobody seems excited. Nobody sounds emotional. There is an eerie quiet in Guatemala.

Day after day, the newspapers print items like one the day I came: "Unknowns killed 31 peasants in Rabinal," a small county. "Unknowns" has become a code for armed men on the government side. The item also said that "none of the victims has been identified so far since the residents who remained alive preferred to flee their [four different] villages and nobody knows where to find them."

Col. Jaime Rabinates Reyes, the army spokesman, said correctly that there is no crisis in Guatemala. "But I feel a crisis coming."

So does practically everyone. A smiling taxi driver said: "Either there will be an arrangement after elections or things will get worse. We don't know what we want." A veteran Western diplomat shrugged and said, "It's hopeless, that's all." And a responsible American official said with tight lips, "I don't get embarrassed about things I can't do anything about."

The cynical atmosphere seems worse than the passions of conflict, but it is bound to burst aflame one day. People are killed by the hundreds each week, sometimes decapitated. Nobody really knows how many. Often, nobody knows why.

No Prisoners

Lawyers, teachers, moderate politicians are becoming in short supply. Those who remain live in a numb, almost thoughtless fear. Officials boast chillingly that there are no political prisoners in Guatemala. It seems to be too true. When there is an arrest, a trial, people are sure it's a common criminal because politicians are simply "disappeared" without further ado.

There is a sinister war going on between two cold-blooded groups seeking to dominate by terror. The great bulk of people are caught in between, and if they turn to one side for protection, they know they are marking themselves as targets for the other. Nonetheless, the leftist guerrillas seem to be expanding if only because they lack the capacity to kill so many bystanders as the official forces, and so they concentrate mostly on soldiers and offend ordinary people less.

The government forces, often unable to retaliate directly against the hit-and-run guerrillas, take out their fury on the villagers left behind. It isn't hard to pick up firsthand stories, but the sense of outrage is dulled.

President Romeo Lucas Garcia needed to see a recent U.S. congressional delegation, and publicly denounced them as "Communists" when they left. It is hard to imagine a room for anyone to the right of President Lucas, but it does exist in Guatemala.

Support comes from landowners and businessmen disgusted by his

modest raise in the very low minimum wage and his token land reform. "They are like the people," said an American official, "who thought they could make use of Adolf Hitler to preserve their interests."

Their main candidate for the election next March is Mario Sandoval Alarín, who has said that with power he will kill not hundreds but thousands of "Communists" a week and put an end to the 20-year-old guerrilla campaign. Sandoval goes often to the United States, and then claims he was received by the secretary of state and people close to President Reagan.

That doesn't check out at the State Department, at least. But no matter, it impresses people here. Actually, U.S.-Guatemalan relations are very cold, but both sides make a public pretense of getting on nicely. The administration theory that tough regimes will be more amenable if they aren't pressured out loud — as with South Africa — has been tried here.

U.S. Silence

Vernon Walters, the former deputy CIA chief, was sent recently to say that Washington would like to help against the real Communist insurgents but Guatemala must help Washington with its problems of Congress and public opinion by showing some willingness for moderation. He was angrily rebuffed.

The establishment here hated President Carter without reserve. But it is no more prepared to indulge the Reagan administration unless it is backed without question.

Nonetheless, U.S. silence and a certain amount of Army equipment — trucks and jeeps — are seen by others here and by most in the rest of the world as a sign of support for the regime. Inevitably, the United States is coming to appear as an accomplice.

What can do be done? At the moment, the answer must be that there is nothing positive. Guatemala has substantial resources for its widely spread 7 million people. It has oil. The leaders seem prepared to withdraw into a kind of Fortress Guatemala, and they have established links outside the United States to maintain it.

There are close ties with Argentina and Chile. Israel has traditionally supplied arms, and now South Africa is helping build a weapons factory. Taiwan has the second-largest diplomatic mission and provides technical aid.

Seeds of the whirlwind are being sown. The best course for Americans to avoid repeating them would be to disassociate the United States as far as possible from this regime, persuade friends from Israel and Taiwan that they have little to gain from collaboration, and make clear that America doesn't share Guatemala's outlook.

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And the Debate Goes On

The Reagan administration had, by all accounts, a devil of a time deciding what to do about the MX missile and the B-1 bomber. Many combinations were inspected, and the arguments evidently did not subside until the end of a months-long review. And now, as is characteristic in these big weapons programs, the president's final choices are being presented as a national imperative, the product of a logic beyond further cavil.

But wait a minute. The decisions on the MX and the B-1 are nothing if not eminently arguable. They were arguable before on the inside, and they are arguable now on the outside. Ronald Reagan was able to use his presidential authority to cut short the first debate, but Congress will have to be persuaded in the second. The president, in our judgment, deserves great credit for eliminating the over-elaborate hide-and-seek concept. But questions immediately arise about the ideas he replaced it with.

What needs to be explored first, in respect to the MX, is the nature of the threat that the MX, however and wherever deployed, is designed to meet. Theoretically, as its advocates say, the Soviets could overwhelm American land-based missiles, or threaten to, or leave Americans fearing that they might, and thus paralyze the American capacity or will to retaliate — a process whereby they could reap political gain. But to the extent that such a scenario seems real — and that is much a matter of argument — the MX would not close the perceived current "window of vulnerability" for five-plus years. In the meantime, new technologies will inevitably bring new contingencies and opportunities to mind. Cruise missiles — cheap, easy to hide, super-accurate — are already coming on line. In the absence of negotiated limits on the number of Soviet warheads, moreover, how are the Soviets to be kept from covering the MX holes with additional warheads?

We do not say these questions are unanswerable or that answers, to be acceptable, must achieve total buttoned-up, no-loose-strings perfection. But any large new procurement decision must seem on the whole reasonably necessary and sensible. Mr.

Reagan still has explaining to do to show that his MX decision meets this standard.

Some of the same kinds of worries attend his statement on the B-1 bomber. Given the great Soviet investment in bomber defense, the availability (and improbability) of Cruise missiles, and the research and development being done on a more detection-proof "Stealth" bomber, not to speak of budget realities, is it really sound to start down the B-1 route? Perhaps it is, but the administration remains under a burden to demonstrate that it has sorted out all these considerations in an orderly way.

Something else needs to be underlined. Procurement plans are not just procurement plans; everyone understands that. They are political plans: They announce a certain attitude toward national security and toward the Soviet Union. So these plans cannot, and are not, being left to the specialists and the strategists. They are being enveloped in the general political debate.

Mr. Reagan is in a position to say he received an electoral mandate to "rearm America" and to achieve "a margin of safety," his term for superiority, over the Soviet Union. He is entitled to represent the MX and the B-1 as his partial delivery on these promises. But is the United States more secure with a missile that Moscow can target any number of new warheads on, and with a bomber with such questionable chances of making it past the Soviet border? "Signals" are not inconsequential: Is the United States going to look stronger several years down the road, when the big costs of these programs hit the budget and start competing with other pressing military needs?

There is a certain tendency in the administration to dismiss doubters as sore losers, softies on the left. But so-called defense conservatives — whose agenda is to strengthen defense, get good defense value for the dollar and maintain steady public support for defense over time — are also concerned. Within their ranks is where we take the center of gravity in the Congress to be. That is where the real defense debate will now begin.

THE WASHINGTON POST

International Opinion

Reagan Proposes a Flawed Armory

Carter's MX plan was a genuine attempt, however clumsy, to meet [the threat of a Soviet first strike]. Reagan's alternative — to develop new weapons but then put them in old, vulnerable holes, even with a bit more concrete on top — looks like the worst of compromises. Most of us, in principle, believe in talking diplomatically and carrying a big stick. But going to Moscow with a stick that you know, and almost certainly they know, to be flawed looks like a recipe for disaster. Fortunately the U.S. Senate, whatever else it lacks, has plenty of knowledgeable military critics. Let us hope they knock Reagan's armory into rather more credible shape. That does not automatically mean either spending more or accelerating the arms

race. It should mean a proper assessment of the risks and the means to meet them.

— From *The Sunday Times* (London).

And What About SALT Prospects?

Mr. Carter was doubtless wrong in 1977 to drop the B-1 project, which was in an advanced stage, without replacing it. But Mr. Reagan errs in the opposite direction by launching these new programs before resuming SALT negotiations with Moscow, which have been broken off since the rejection of the accord signed by Mr. Carter and Mr. Brezhnev in 1979. Washington said that these talks should resume within six months — but suppose the Kremlin then showed itself genuinely well-disposed toward stopping the arms race?

— From *Le Monde* (Paris).

In the International Edition

Seventy-Five Years Ago
October 5, 1906

NEW YORK — President Roosevelt and Mr. John D. Rockefeller held the center of the stage today in the national interest. Mr. Rockefeller, speaking at the dedication of the State Capitol at Harrisburg, Pa., declared that American civilization should not be a civilization of mere plutocracy. "It is our duty to see," the president said, "that there is adequate supervision and control over business, over the use of swollen fortunes, and also over the conditions upon which these fortunes are to be transmitted and the percentage they shall pay the government." Rockefeller protested in an interview in the Cleveland Plain Dealer: "If we limit opportunity, we will have to put brakes on our national development."

Fifty Years Ago
October 5, 1931

LONDON — Britain's Labor Party, which up to the present has managed to maintain a superficially united front, has begun to show signs of cleavage. Tonight, Fenner Brockway, on behalf of the Independent Labor Party, declared that that wing of the labor movement would refuse to accept dictation from the parliamentary party and if necessary would run its candidates in the forthcoming election without the endorsement of the parliamentary Labor Party. It is also understood that efforts are being made to detach more right-wing Laborites from allegiance to Arthur Henderson, the Labor leader, and to induce them to throw in their lot with the national government.

Worry Over SALT

Or rather, to political dangerland, since the unilateralists ask little of the Soviet side except that its representatives show up at international conclaves from time to time and agree solemnly that American nuclear weapons menace world peace.

But perhaps European unilateralism will not be the model for Americans. The political culture is different: The determined left is too recently repudiated, too incompletely rehabilitated, and the anti-nuclear core has not built European-type alliances with other special interests. Nor is there the

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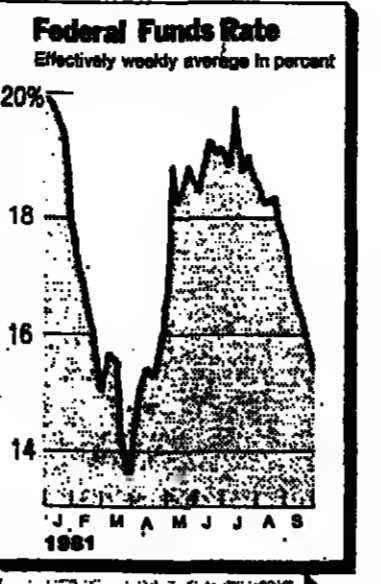
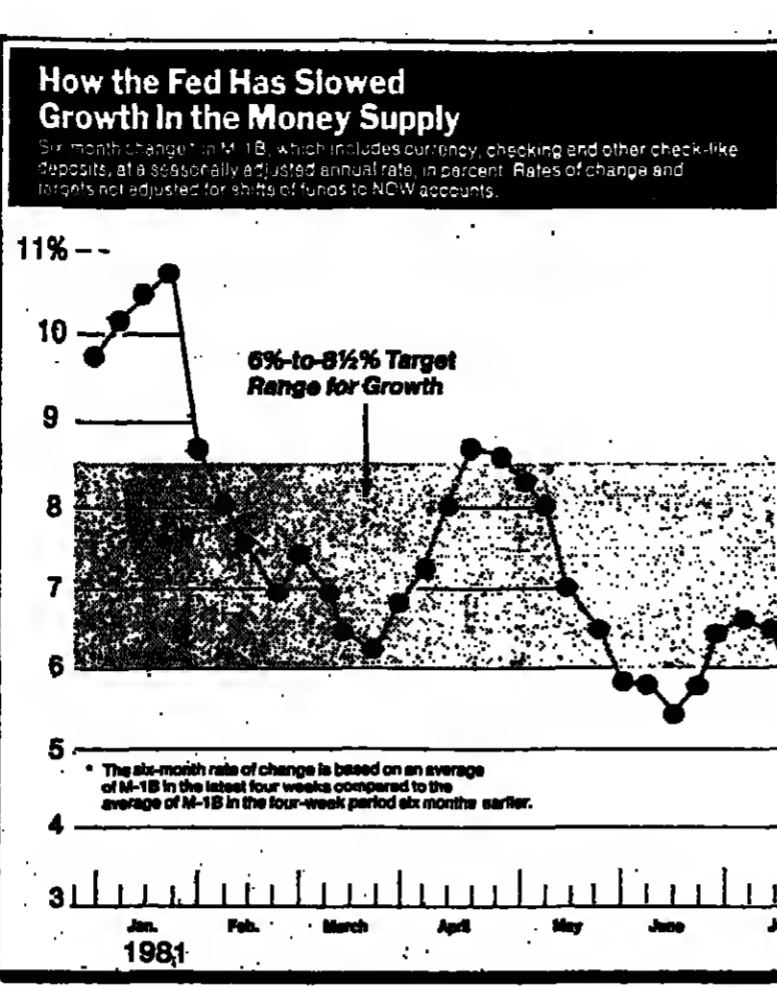
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App 10/5/81

The Fed's Squeeze Play Is Beginning to Show Some Signs of Success

By Jonathan Fuerbringer
WASHINGTON — The Federal Reserve Board, after years of failure, is finally showing that it can control the U.S. money supply...



Changes in EMS Alignment Elicit Cautious Approval

PARIS — Government financial sources greeted the realignment in the European Monetary System with cautious approval Sunday night...

Regan Says Fed Should Relax Money Policy To Help Set Stage for Economic Rebound

By John M. Berry and Caroline Arkinson
WASHINGTON — U.S. Treasury Secretary Donald T. Regan, concerned that the economy may be in a recession...



Donald Regan ... Still Against 'Easy Money'

French Upset by End Of Secret Gold Trades

By Paul Lewis
PARIS — The cloak of anonymity which has lifted from the Paris gold market, and the French people don't like it...

U.S. Utilities Increase Euromarket Borrowing

By William Ellington
LONDON — U.S. utilities are increasing their borrowing abroad to supplement funding arrangements at home...

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Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

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Am	Security	Cou	Rate	Mid Pt.	Yld	Life	Cur
100	100% Electric Finance	100	11/15	100	11.25		
100	100% Electric Finance	100	11/15	100	11.25		
100	100% Electric Finance	100	11/15	100	11.25		
100	100% Electric Finance	100	11/15	100	11.25		
100	100% Electric Finance	100	11/15	100	11.25		

STRAIGHT BONDS

All Currencies Except DM

Am	Security	Cou	Rate	Mid Pt.	Yld	Life	Cur
100	Australia	100	11/15	100	11.25		
100	Australia	100	11/15	100	11.25		
100	Australia	100	11/15	100	11.25		
100	Australia	100	11/15	100	11.25		
100	Australia	100	11/15	100	11.25		

HIGHEST YIELDS

To Average Life Below 5 Years

100	100% Electric Finance	100	11/15	100	11.25		
100	100% Electric Finance	100	11/15	100	11.25		

HIGHEST YIELDS

To Average Life Above 5 Years

100	100% Electric Finance	100	11/15	100	11.25		
100	100% Electric Finance	100	11/15	100	11.25		

HIGHEST CURRENT YIELDS

100	100% Electric Finance	100	11/15	100	11.25		
100	100% Electric Finance	100	11/15	100	11.25		

DM STRAIGHT BONDS

Am	Security	Cou	Rate	Mid Pt.	Yld	Life	Cur
100	Australia	100	11/15	100	11.25		
100	Australia	100	11/15	100	11.25		
100	Australia	100	11/15	100	11.25		
100	Australia	100	11/15	100	11.25		
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World Bank, IMF Adjourn on Negative Note

By Clyde H. Farnsworth
New York Times Service

WASHINGTON — The World Bank and International Monetary Fund concluded their 35th annual meeting on the twin notes that world economic conditions would get worse before they get better and that there is a strong need to coordinate anti-inflationary policies to avoid a world depression.

High interest rate policies in the United States, which have contributed to slower world economic growth, came under attack in some of the formal statements presented Friday by representatives of the 143 members of the two international lending institutions.

But the general mood among 2,000 official delegates and about 13,000 private bankers and economists who converged on Washington for the weeklong meeting was that of resigned acceptance of further belt-tightening. They see it as the only way out of the situation of high worldwide inflation, rising unemployment and prospects of a continuation of low living standards.

Much was said of the need for economic restructuring following the call by President Reagan for greater self-help and more reliance on the private sector for development assistance.

The conference chairman, Valentin Arismendi Egué of Uruguay, in providing a consensus of the gathering, said that though they could not expect immediate success, appropriate adjustment policies could indeed lead to a decline in indebtedness, a reduction of public spending and an easing of the pressures that have given rise to the current high interest rates.

While noting the serious problems of inflation, unemployment

and "desperate poverty," Treasury Secretary Donald T. Regan pointed to a silver lining in the clouds. "There is reason to expect gathering economic strength in many industrial countries over the coming year," he insisted.

But few other delegates shared this optimism. Jacques Delors, the French minister of economy and finance, warned that U.S. economic policies threatened a "dangerous destabilization" of both the developing and developed countries.

Robert Vandepitte, minister of finance of Belgium, said the European economic slump had been aggravated by strength of the dollar flowing from high interest rates here.

Jacques de Larosiere, managing director of the IMF, alluding to

Federal Reserve tight money policies and the fight for budget restraint in the United States, said, "The burden being placed on monetary policy is undoubtedly excessive. To be effective, monetary policy must be supported by a coherent, sound fiscal policy."

Gold Standard

Although there has been some talk here of a return to the gold standard as a way of dealing with current economic woes, only South Africa, among all the countries that expressed their views at this meeting, made any reference to gold.

Owen Horwood, finance minister of South Africa, the biggest gold producing country, insisted that a gold-based international

monetary system, in which nations would seek to keep their currencies within a range of permissible gold price fluctuations, would bring financial stability and benefit all countries. But his remarks aroused little interest.

Both Mr. de Larosiere and the World Bank's new president, A.W. Clausen, called attention to the plight of the poorest nations now facing reduced aid as a result of the economic squeeze in the industrial countries.

Mr. Clausen said he would fight to prevent aid programs from unraveling, citing the strategic importance of many of the aid recipients as well as the stimulus that their development would provide for exports of the United States and other industrial countries.

U.S. Rescinds Curbs on Gasoline Exports

United Press International

WASHINGTON — The United States has lifted export controls on gasoline and jet fuel first imposed after the Arab oil embargo, saying they are no longer needed to insure "adequate supplies" for U.S. consumers.

The controls were first imposed in January, 1974, and sharply limited the amount of oil products that could be shipped overseas from U.S. oil refineries.

Beginning Friday, the administration said, refiners could sign contracts with overseas customers for whatever quantity of gasoline, jet fuel, naphtha and light fuel oil they could sell. A simple export license is all that will be required, according to the Commerce Department.

"We have undersold our refin-

ing capacity in the United States," Commerce Secretary Malcolm Baldrige said. "Export controls are no longer needed to ensure adequate supplies of gasoline and other petroleum products for American consumers."

U.S. refineries have been operating at about 70 percent of capacity.

Exports were limited by company and country of destination. Last year, exports amounted to about 42,000 barrels of refined products a day, less than 0.3 percent of the world demand.

But because of the continuing oversupply of oil in the world market, potential buyers will have little incentive to look to the United States for additional supplies of refined products, despite the lifting of the export controls.

"We think, frankly, there will not be any surge in exports," said Vincent DeCain, a Commerce Department export specialist.

In 1980 the industry reached less than half of the quota limit, about 15 million barrels, opposed to a ceiling of 32 million, he said.

The lifting of controls came as a surprise to the oil industry, currently focused on a similar issue of far larger dimensions, the continuing limits on the exports of Alaskan North Slope crude. Those limits cannot be removed without congressional approval.

A cabinet council is currently studying the question of whether to ask Congress to lift the 1976 ban on exports of Alaskan crude, but White House sources say no decision has been reached.



Jacques de Larosiere

Soviets Say They May Sell Gold to Help Fund Imports

MOSCOW — The chairman of the Soviet state bank, Gosbank, says Moscow gives high priority to increasing its gold reserves but is prepared to sell the precious metal to correct imbalances in trade with the West.

The rare statement of Soviet gold trading policy came Saturday, only two days after the head of a U.S. grain delegation to Moscow said he expected the Soviet Union to buy 10 million metric tons of grain over the next 12 months in addition to 8 million metric tons allowed under an existing agreement.

Moscow is expected to make record purchases on the world grain market this year to meet a shortfall in its own harvest. The U.S. Agriculture Department believes the shortfall will be 70 million metric tons.

Vladimir Alkhimov, the Gosbank chairman, said fluctuations of the capitalist market sometimes led to unexpected declines in Soviet export revenue.

"In such cases the Soviet Union, as a gold-producing country, can sell gold to overcome disproportions caused by unforeseen circumstances," he added in an article published by Pravda on the 60th anniversary of the bank.

Mr. Alkhimov did not give any indication of Moscow's short-term gold trading policies.

The Soviet Union recorded an unexpectedly large trade deficit of 2.61 billion rubles (\$3.66 billion) with the major non-Communist countries in the first half of this year, more than double the figure for the first half of 1980.

Western diplomats believe Moscow's foreign currency reserves will be further depleted by record grain imports this year. But they say the Soviet government would be unlikely to sell gold until the world market price recovers from its present low level.

The Soviet Union and South Africa are the world's biggest producers of gold. Moscow has never given statistics on its total output, but Western estimates put its 1980 production at around 300 metric tons, compared with South Africa's 674 metric tons.

EMS Realignment Greeted With Cautious Approval

(Continued from Page 7)

percent of the last three years was excessive.

Both the Italian government and the Bank of Italy said the effects of the lira's realignment on prices and inflation would be extremely limited. A Bank of Italy spokesman said it calculated that Italy's inflation rate of around 20 percent would not increase by more than 0.6 percentage points.

Economic analysts said the lira's devaluation coupled with the mark's 5.5 percent revaluation would help Italian exports to West Germany, which is a major market for Italian goods.

An Italian government statement maintained that the 3-percent devaluation of the lira would result in sharp weakening of the currency. A Cabinet statement said Prime Minister Giovanni Spadolini's five-party coalition had presented a rigorously anti-inflationary budget to Parliament at the end of last month and the measures set out in it were sufficient to protect Italy's official reserves.

"Faced with the French position aiming at a considerable downward realignment and the West German position, interested in re-

valuating the mark with the aim of internal stability, Italy succeeded in obtaining a solution which reduces the downward variation of the lira and of the franc to a minimum," the statement said.

Italy's balance of payments, already benefiting from a fall in oil prices and the dollar's decline, would also improve, they said. Latest figures for August showed a surplus after big deficits early in the year.

But at the same time if the devaluation resulted in a downward trend against the dollar it would only add to Italy's inflation rate by increasing import costs, they added.

Although it did not necessarily follow that devaluation of the lira in the EMS would result in a decline of the lira in dollar terms, this is what happened after last March's devaluation by 6 percent, the analysts said.

Dutch bankers and economists voiced satisfaction with the revaluation of the Dutch guilder that maintains its link with the mark in the EMS. The revaluation will effectively make Dutch exports more expensive to other EMS nations but will cut the import bill.

Fed's Squeeze Play Beginning to Show Success

(Continued from Page 7)

worried that the Fed might cave in. Now they are beginning to worry that we may not cope out."

Mr. Gramley added: "It is easy to sit here from a textbook knowledge and say it is worth it. It is another thing to convince the people who are suffering that it is worth it."

But Mr. Gramley argues that there is no alternative. "If the Fed turns around now, we will lose all the progress that we have paid so dearly for," he said. Mr. Volcker recently echoed the same sentiment when asked what it would take to ease the Fed's tight policy. "Impeachment," the chairman said with a laugh.

In achieving success thus far, the Fed is finally answering the traditional skepticism of the financial markets, born of years of disappointment. Watch what the Fed does, not what it says, the markets warned.

In 1979, and especially in 1980, while Mr. Volcker was talking about restraint, the money supply figures went every way but one, resulting in much criticism for the chairman.

In the six months that closed with September, the closely watched M-1B — a measurement of the money supply that comprises currency in circulation, regular checking accounts and the new interest-bearing checking accounts called NOW accounts — grew at an annual rate of 3.9 percent, well below the Fed's target of 6 to 8.5 percent for the year.

Below Target

When this measurement is adjusted for the large inflows into NOW accounts, the Fed has been equally restrictive. The adjusted M-1B crept upward at an annual rate of 1.7 percent from the beginning of the year through Aug. 31. This was far below the 3.5-to-6 percent target range.

Although the Fed has moved to increase M-1B's growth toward the bottom of its target range over the

rest of the year, Fed officials still maintain that M-1B, both adjusted and unadjusted, will still be below the bottom of the target range by the end of 1981.

Evidence in support of that came Friday, when the central bank announced a larger-than-expected \$1.9-billion decline in M-1B. The figures strengthened the conviction of some analysts that short-term interest rates would decline in the near future.

While M-1B is still below its target, M-2 — which consists of M-1B plus money market funds, savings and small time deposits — is over the top of its target. Aug. 31, M-2 was growing at an annual rate of 10.3 percent, which is above the Fed's target range of 6 to 9 percent.

Mr. Volcker, however, declares that the Fed is watching both money supply gauges closely. Taken together — with one under its target and one over its target — they mean that the Fed's overall restriction of money supply growth is on target, he says.

Dampening Inflation

This tight policy, notes Charles J. Partee, another Fed governor, has also enabled the Fed for the first time to keep the money supply under reasonable control during a recovery from a recession. The Fed has traditionally lost the battle during such periods.

And, Mr. Gramley says, the Fed can take some credit for the decline in the rate of inflation. Mr. Gramley acknowledges that slower increases in food and oil prices has contributed the most to the decline in the rate of inflation to single-digit levels for the year. But he insists that the Fed's tight monetary policy has helped by raising the value of the dollar and thus making imports cheaper. And high interest rates, he adds, have brought down speculation in commodities and the prices of raw industrial materials.

But Mr. Volcker cautions that real signs of success in beating inflation will not be seen until the

rate of increase in wage settlements begins to decline. That makes 1982, the beginning of the next round of major labor talks, a critical year for the Fed and inflation.

The Fed's chance at victory finally comes two years after the Fed, under Mr. Volcker's leadership, changed its techniques for controlling money growth. The Fed took its eyes off interest rates and put them on bank reserves, letting interest rates go where they may, within reason.

The first try, in 1980, was a disaster. The money supply, shrunk by the Carter administration's credit controls in March and stretched by an unexpected economic recovery in the summer, swerved out of control for most of last year.

There are several reasons for the Fed's success this year as opposed to 1980. First, there were no credit controls this year. Next, the Fed has had the full backing of the Reagan administration.

But the key change is that the Fed, in 1981, decided that it had to act quickly to stop any apparent bulge in the money supply while remaining patient if the money supply expanded too slowly. This meant that if the Fed was going to make a mistake, unlike in the past, it would be toward being too tight rather than too loose.

For the economy, a growing belief that the Fed's policy can work means that its attempt to curb inflation could be easier in the long run. In the financial markets, confidence that the Fed can and will continue the fight against inflation

could hasten a turnaround of inflation expectations.

But doubts still linger. H. Erich Heinemann of Morgan Stanley & Co. in New York, worries that the effort this summer to lift M-1B might backfire. But the money supply figures have not shown such a mistake yet.

Now the Fed is trying to sell the country on a safety valve — release that could take some of the strain off the Fed, the economy and interest rates and improve the odds of keeping the anti-inflation drive on track. If the Fed is going to keep up the pressure, the administration and Congress can ease it only with spending cuts or new tax revenues and smaller budget deficits, the Fed contends.

While he acknowledges the success of the first round of federal budget cuts, Mr. Volcker has made clear that much of the added pressure the economy is now facing — because of threatened growing deficits — comes from the three-step tax cut the administration won in Congress. Mr. Volcker has said he was never enthusiastic about the tax cut because it makes reducing deficits more difficult — and thus it makes fighting inflation more difficult.

As for the economic pain that has accompanied the Fed's tight monetary policy, the outlook for next year is not much better, at least for the first six months. While the Reagan administration continues to forecast a recovery and a significant drop in interest rates, top officials at the Federal Reserve are more pessimistic.

Thomas Thomson, a former Fed economist who is now at the Crocker National Bank of San Francisco, calls the Fed's monetary goals for 1982 "no-growth" targets. He says the Fed is squeezing too hard.

"You can overplay the hand," Mr. Thomson argued. "And the danger is that this will cause serious economic disruptions and force the Fed into a classic response — overcompensating on the other side."

Siemens Product Spending

ERLANGEN, West Germany — Siemens invested 3.3 billion Deutsche marks in product development in the year ended Sept. 30, more than 9 percent of its world turnover. Supervisory Board Chairman Bernhard Plettner said Thursday.

All these securities having been sold, this advertisement appears as a matter of record only

New Issue

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Swiss Francs 80,000,000
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September 1981

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August 1981

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Price	Nov.	Feb.	May 1982
400	27.00-30.00	42.00-46.00	short on
420	19.00-22.00	22.00-26.00	short on
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International Bond Prices - Week of Oct. 1

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

Amr	Security	%	Maturity	Yield	Price	Change
100	100% 1981	100	10/1/81	10.00	100.00	
101	100% 1982	100	10/1/82	10.00	100.00	
102	100% 1983	100	10/1/83	10.00	100.00	
103	100% 1984	100	10/1/84	10.00	100.00	
104	100% 1985	100	10/1/85	10.00	100.00	

CONVERTIBLE BONDS

Amr	Security	%	Maturity	Yield	Price	Change
105	100% 1981	100	10/1/81	10.00	100.00	
106	100% 1982	100	10/1/82	10.00	100.00	
107	100% 1983	100	10/1/83	10.00	100.00	
108	100% 1984	100	10/1/84	10.00	100.00	
109	100% 1985	100	10/1/85	10.00	100.00	

HIGHEST CURRENT YIELDS

On convertibles having a conversion premium of less than 10%.

Security	Yield
100% 1981	10.00
100% 1982	10.00
100% 1983	10.00
100% 1984	10.00
100% 1985	10.00

Over-the-Counter

Symbol	High	Low	Net	Change
AA	100.00	99.50	99.75	+0.25
BB	100.00	99.50	99.75	+0.25
CC	100.00	99.50	99.75	+0.25
DD	100.00	99.50	99.75	+0.25
EE	100.00	99.50	99.75	+0.25

Chicago Exchange Options

Option & Price	Close	Option & Price	Close
100% 1981	100.00	100% 1982	100.00
100% 1983	100.00	100% 1984	100.00
100% 1985	100.00	100% 1986	100.00

American Exchange Options

Option & Price	Close	Option & Price	Close
100% 1981	100.00	100% 1982	100.00
100% 1983	100.00	100% 1984	100.00
100% 1985	100.00	100% 1986	100.00

10/5/81

Over-the-Counter

Florida State Upsets Ohio State, 36-27

From Agency Dispatches
COLUMBUS, Ohio — Quarterback Rick Stockill passed for 299 yards and two touchdowns Saturday to lead Florida State to a 36-27 college football victory over previously undefeated Ohio State.

Stockill completed 25 of 41 pass attempts and three touchdown passes of 14 yards to Tony Johnson and 7 yards to Sam Childers. Florida State overcame a record-setting passing performance by Ohio State's quarterback, Art Schlichter, who completed 31 of 52 attempts for 458 yards and two touchdowns.

The previous single game yardage record was 312, set by John Borton against Washington State in 1952. Schlichter also broke the school records for completions and attempts.

After the Seminoles took a 30-21 lead in the third quarter on Stockill's second touchdown pass, Schlichter moved Ohio State to the 2-yard line on a 63-yard pass from Schlichter to Gary Williams. But the Buckeyes failed to score on three running plays, and tight end Brad Dweil dropped a fourth-down pass from Schlichter in the end zone. Florida State then moved 99 yards in nine plays for what proved to be the winning touchdown, with Rick Williams going in from the 3-yard line.

USC 56, Oregon State 22
In Corvallis, Ore., tailback Marcus Allen rushed for 233 yards on 35 carries as top-ranked Southern California rolled over Oregon State, 56-22, in a Pacific-10 Conference game.

Allen, who sat out the final quarter, became the first college player to gain more than 200 yards on 60 carryouts games. The 6-foot-2, 202-pound senior has gained 925 yards this season, breaking the four-game record of 905 yards set by Greg Pruitt of Oklahoma in 1971. Allen scored on runs of 30, 8 and 13 yards as the Trojans took a 42-17 halftime lead.

Table with columns: Team, Score, and various statistics for the USC vs Oregon State game.

More Sports On Page 13

Senior Executive Positions

Published every Monday, this is a compilation of senior positions published in the INTERNATIONAL HERALD TRIBUNE and other selected publications. Comments concerning this feature can be addressed to Juanita Caspari in Paris.

Table with columns: POSITION, SALARY, EMPLOYER, LOCAT., QUALIFICATIONS, CONTACT, Source. Lists various executive roles and their details.

CLASSIFIED ADVERTISEMENTS

Multiple classified advertisement sections including ESCORTS & GUIDES, CAPRICE ESCORT SERVICE, and various international services.

Large table of over-the-counter stock market data with columns for stock names, prices, and changes.

Table titled 'Treasury Bills' showing various bill denominations and their yields.

Table titled 'Kredietlux Indices' showing various market indices and their values.

Table titled 'Consolidated Trading Of AMEX Listings' showing trading data for AMEX-listed securities.

Table titled 'Consolidated Trading Of NYSE Listings' showing trading data for NYSE-listed securities.

U.K. Telecom Severed From Post Office
New York Times Service
LONDON — Britain's unitary approach of keeping telephone, telecommunications and postal services in one organization — the British Post Office — ended last week when British Telecom, which operates Britain's telephone and telecommunications system, was formally split from the Post Office.

Table titled 'Over-the-Counter' (continued from page 10) showing additional stock market data.

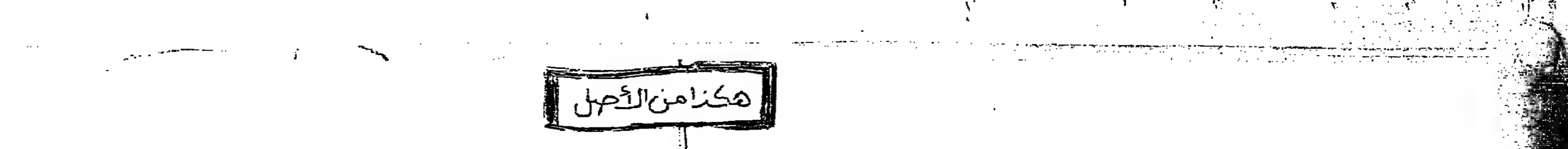
Table titled 'Treasury Bills' (continued) showing additional bill data.

Table titled 'Kredietlux Indices' (continued) showing additional index data.

Table titled 'Consolidated Trading Of AMEX Listings' (continued) showing additional trading data.

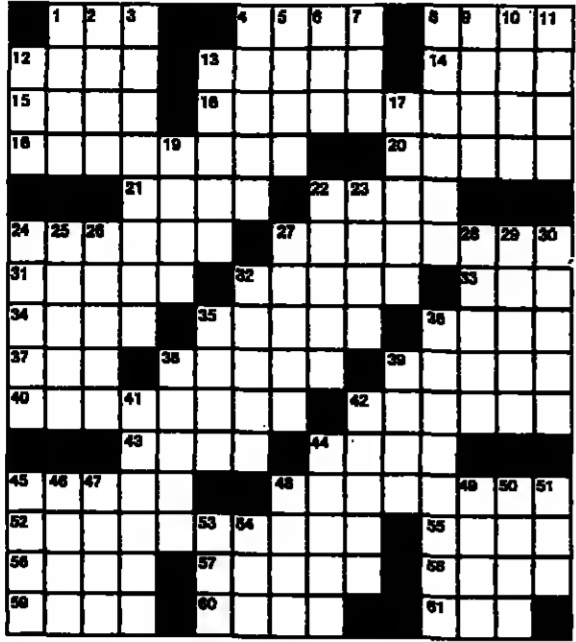
Table titled 'Consolidated Trading Of NYSE Listings' (continued) showing additional trading data.

Also, a consortium led by N.M. Rothschild & Sons, the London merchant bank, recently acquired an 80-percent share in a company that owns 160 miles of pipes lying beneath London. If government approval is granted, the Rothschild group would insert telecommunications lines through the pipes.



CROSSWORD

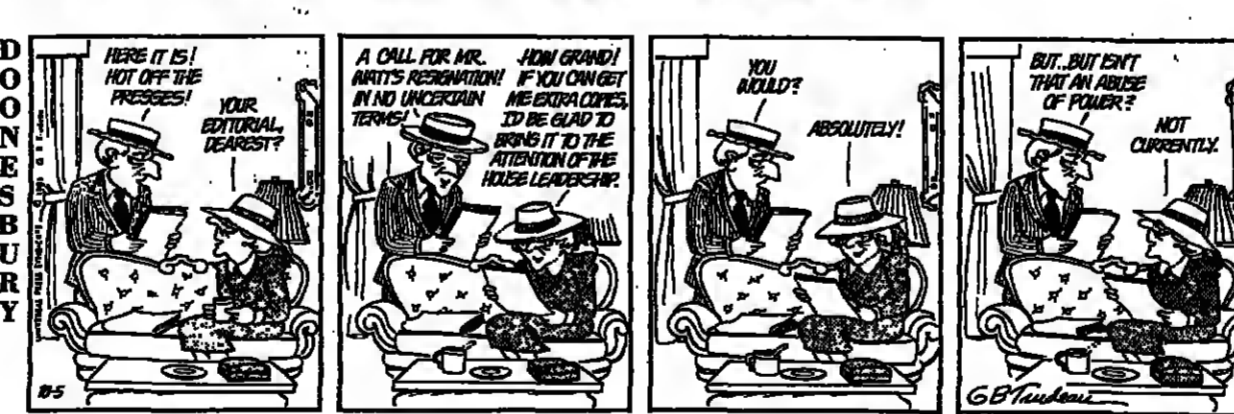
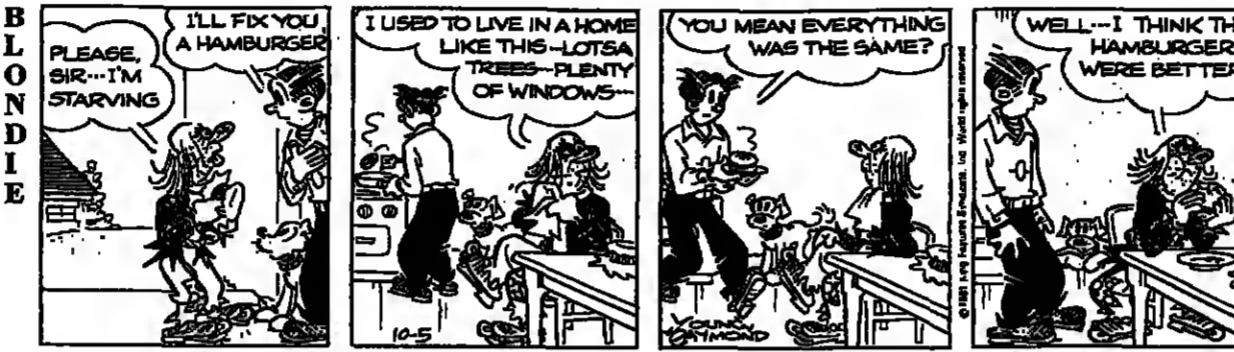
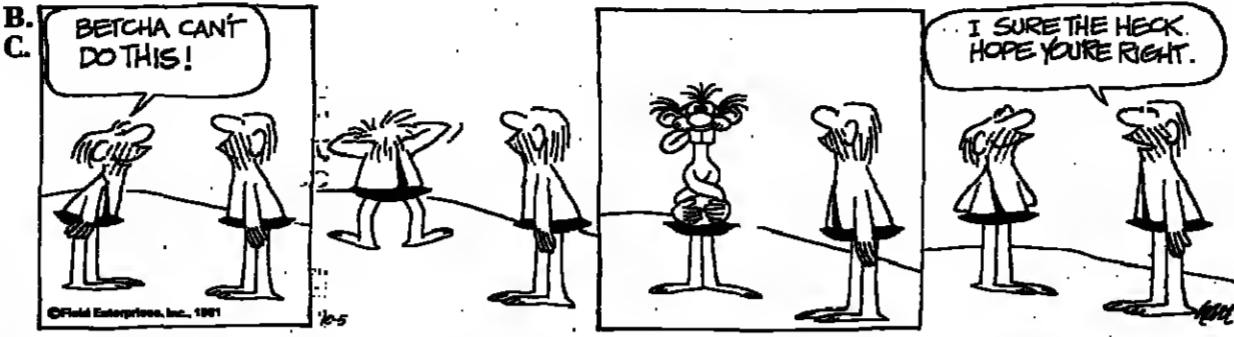
By Eugene T. Malachuk



- ACROSS
1 Smith and Hirt
4 Word with side or bog
8 Nostra
12 Twist
13 Prefix with liminal or national
14 River in England
15 Munich's river
16 Sorcery
17 Tiny amounts
20 Rand's "Shrugged"
21 Sins
22 Yawn
24 Exposed
27 Straubach threw these
31 Sew loosely
32 Straight-edged
33 Eerie flier
34 Superlative suffixes
35 Seraglio
36 Had on
37 Lunched
38 Vacuum
39 Freeway sign
40 Revolutionary War mercenaries
42 Post office employee
43 All (eager to hear)
44 Pump, e.g.
45 Of the air
48 Sci-fi flick
52 Author of "Dracula"
55 Spread on rye
56 In one's birthday suit
57 Old-womanish
58 Take charge
59 King or Arkin
60 Persian's neighbor
61 T-man, for one
DOWN
1 In addition
2 Bilo feast
3 These got in Medusa's hair
4 Parthenon and Colosseum, e.g.
5 Chooses
6 Curve
7 Dit's companion
8 Nick of fiction
9 Ellipsoidal
10 Lounge
11 Pismires
12 Little girl's nickname
13 Excalibur was one
17 Prance
19 Algonquian
22 Intent looks
23 Participle
24 Haitian voodoo
25 Adhesive
26 Kefauver
27 Garnishes, in a way
28 Cancel a missile launch
29 Outsize
30 Guide
32 Showers
33 Kind of trout
36 Lychenthrope
38 Small vessels
39 Person of Arab-Berber descent
41 Marcos, Marcos et al.
42 Portion
44 Stone slab
45 Eban of Israel
46 Russian river
47 --avis
48 Slide
49 Away from the wind
50 Scan
51 Turf
53 Headgear with lints
54 Unit

WEATHER

Table with columns for city, high, low, and weather conditions for various international locations.



The Character of Aquascutum Classic British coats at their best. In fine shops throughout Europe.

ASK FOR IT EVERY DAY. EVERYWHERE YOU GO. International Herald Tribune We've got news for you.

JUMBLE. THAT SCRAMBLED WORD GAME. Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

DENNIS THE MENACE. I wonder who took them... LITTLE BO-PEEP LOST HER SHEEP BECAUSE SHE HAD THIS.

BOOKS

THE LAST AMBASSADOR

By Bernard and Marvin Kalb. 276 pp. \$13.50. Little, Brown & Co., 34 Beacon St., Boston, Mass. 02106.

Reviewed by Richard F. Shepard

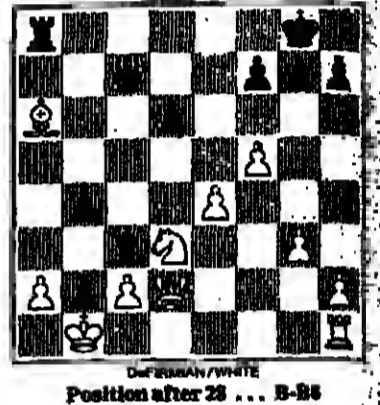
REMEMBER the puzzler that wonders why, when we are struck by natural beauty, we say it looks like a painting and when we are struck by a painting, we say it looks so real? This comes to mind with "The Last Ambassador," a first novel by Bernard and Marvin Kalb, brothers who are not only crackjack broadcast journalists but who have also demonstrated what they can do in nonfiction books.

Solution to Friday's Puzzle. Table with columns for letters and rows for words like RABBIT, AIDEN, OME, CLEAN, MORSE, LUD, CATA, MURDO, LUD, KIL, EDAM, ADVISE, ERNANT, LITER, GARELY, OBJECT, GIBBY, FRAVING, LIP, DROP, DOWNY, ZERO, YOU, SONIC, FOCAL, SHUTIN, FINALE, STEAM, GARRET, CATNAP, ATTEE, FOL, AIR, THEGATON, BINA, GIBBY, LITERA, GOP, ALLATE, ESTER.

CHESS

By Robert Byrne

THERE is a player on the international tournament circuit who is notorious for prematurely resigning. Unwilling to suffer — as one must in a clearly inferior position — he gives up at the first provocation.



Thus, after 28 ... Q-B3; 30 Nxf4; 31 B-N3, DeFirmian did not have to worry about his king but rather how he might use his extra pawn to win the bishops-of-opposite-color position.

Of course, his 20 ... N3-Q5 was enticing, but it permitted DeFirmian to offer the exchange with 21 BxN. PxB; 22 RxB, NxB (22 ... P-R6 was still possible); 23 QxN. After 23 ... 0-0; 24 N-N6!, Grefe returned the exchange with 24 ... B-B3; 25 NxB, RxB, since 24 ... R-R2; 25 N-Q5 would have allowed DeFirmian to win the QNP and thus obtain two pawns to go with his minor piece for a rook.

Grege finally got around to playing 26 ... P-R6, but the foregoing simplification gave DeFirmian the chance for an ingenious defense with 27 BxB. PxB; 28 N-Q3, B-B6; 29 Q-K2! Grege could not recapture with 29 ... RxB without permitting 30 Nxf4, R-R6; 31 N-Q5! to be followed by 32 NxB.

RADIO NEWSCASTS

BBC WORLD SERVICE. Table with columns for Western Europe, Eastern Europe, Middle East, and Southern Asia, listing times for various news programs.

VOICE OF AMERICA. Table with columns for Western Europe, Middle East, and Southern Asia, listing times for various news programs.

RADIO CANADA INTERNATIONAL. Table with columns for Western Europe, Middle East, and Southern Asia, listing times for various news programs.

Language

Close Call on Near Miss

By William Safire

NEW YORK — A miss used to be as good as a mile. Under the pressure of airline euphemism (which turned "safety belts" into "seat belts"), a moment of danger to two aircraft was dubbed a "near miss."



Safire

"One striking air traffic controller told me," reports David Shaffer of The Express in Easton, Pa., "that 'near misses' was coined because it sounds better than 'near collisions.'" He also told me that air traffic controllers refer to such events as "deals."

LANGUAGE once stays the same in the airline world. I had finally talked myself into calling the stewardess a sexless "flight attendant" when the nice young woman on New York Air crossed me up and remained herself a "customer-service attendant."

Again, union terminology is in the air: With unionized air carriers, the term "customer-service representative" is usually applied to people who provide special services on the ground, like writing tickets or meeting mean little kids;

"Flight attendant" is reserved for those who have extra training in safety or food handling, and who fly. Eastern Airlines, which is unionized, looks askance at non-UNO New York Air and sniffs that the newcomers' "customer-service attendants" are not specialists in stewardessing.

On occasion, airlines triumph. I am caving in on "We will be taking off momentarily." Time was, "momentarily" meant "for a moment," and not "in a moment."

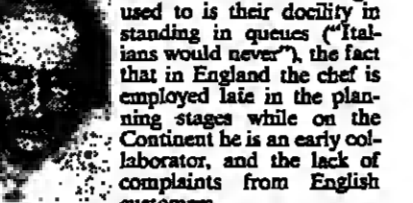
MEG GREENFIELD, the Newsweek columnist who singlehandedly torpedoed "watershed" as a Washington cliché, has been off on an etymological dig.

THE use of "lick" to mean "smart blow" has been traced by the Oxford English Dictionary to the 19th century, and is probably of a Scottish origin, rooted in "to lick on the whip."

Recipe for a London Restaurateur

LONDON — English produces fine cook books, superb food scholars, excellent basic ingredients, and even a few good restaurants. But the cooking of food is a comparatively minor event. It is certainly not the reason why people go to restaurants.

Most of the names of the Swinging '60s are now forgotten: Apicella is the survivor. Who these days can still identify Justin de Villeneuve, Julie Driscoll, John Stephen, to name a few, says Enzo Apicella, a jovial Neapolitan with peached blue eyes, a droopy mustache and an unassailable track record for creating fashionable London restaurants.



Apicella

"You get no cooperation from the customer here. In Paris and Italy people complain. Here they say nothing and then don't come back. When you find your restaurant empty you realize something is wrong."

Burglar Deterrent The new restaurant holds only 64 customers and has in its window a life-size dummy of Apicella that until now has been used to scare burglars away from his Chelsea house.

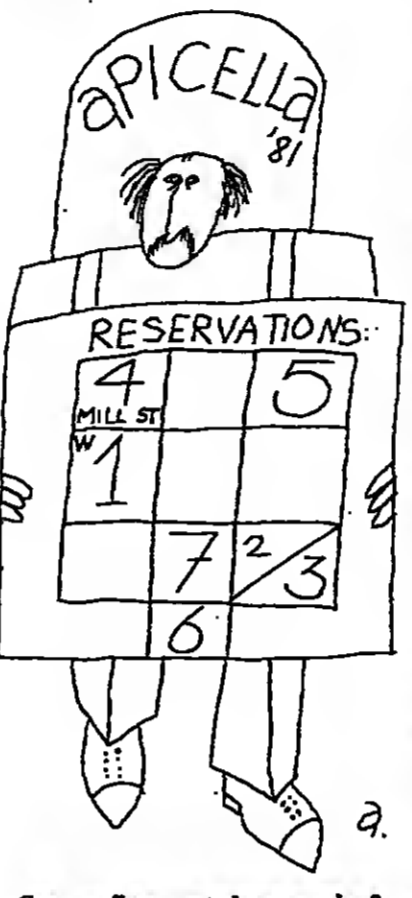
The food will be traditional Italian; the problem is of course the people. "The problem in England is to keep awful people away because they are always climbing." The restaurant's calling card lists the telephone number in a way so secretive, says Apicella, that only a 9-year-old boy or a computer expert could decipher it. He also thought of putting a very narrow door on his restaurant so only thin people could get in.

The first of these historic restaurants was Mario and Franco's Terrazza which opened in Soho with an Apicella decor in 1959. "My biggest asset has been that I've been a customer of restaurants for 35 years. I know exactly what customers want," Apicella says. He has designed 35 English restaurants, plus a pizza chain. "I not only design but do the whole package — the name, the menus, the prices, the launching party. At first owners listen to you like God. The minute they start making money they get a big head."

He is scrupulous about detail: He even designed the graffiti in the men's room of one restaurant and spent eight weeks tracking down the right tiles for the sidewalk border of the new restaurant's facade. He likes wood, white walls, soft spotlights, round tables. In the '60s departing miniskirted birds proudly wore the marks of his cane-drawn chairs on the back of their thighs.

At the Meridiana he is perfectly willing to benefit from English snobbery. Asked by a reporter which were the best tables he happily lied that his usually empty upstairs was the best spot and was grandfathered the next night to see customers lining the stairs. But he also tries to keep a free and easy atmosphere with free ice cream for children on Sundays.

English Snobbery At the Meridiana he is perfectly willing to benefit from English snobbery. Asked by a reporter which were the best tables he happily lied that his usually empty upstairs was the best spot and was grandfathered the next night to see customers lining the stairs. But he also tries to keep a free and easy atmosphere with free ice cream for children on Sundays.



Can you figure out phone number?

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Charles Needs \$4,500 More PEOPLE: A Week for Married Life

Prince Charles discovered two cannot live as cheaply as one and has given himself a tax-free 50-percent pay raise of \$4,500 a week to meet the extra costs of married life. "In these times everyone has to make ends meet," said a spokesman for Buckingham Palace.

Cardiologist Paul M. Zoll received a medal from the Texas Heart Institute for inventing a device physicians first dismissed as a toy — the pacemaker. The device, which has been miniaturized, computerized, internalized and generally much refined over the years.

Director Frank Capra, whose stylish films in the 1930s and '40s were a whimsical celebration of the common man, was selected as the 10th recipient of the American Film Institute's Life Achievement Award.

Oil magnate Armand Hammer has been named by President Reagan to a seat on the Presidential Cancer Panel, which was created in 1971 to monitor development and execution of a national cancer program.